United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

Vol. 146 WASHINGTON, MONDAY, SEPTEMBER 11, 2000 No. 105

Senate

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord God, source of righteousness, You are always on the side of what is right. We confess that there are times we assume we know what is right without seeking Your guidance.

Lord, give us the humility to be more concerned about being on Your side than recruiting You to be on our side. Clear our minds so that we can think Your thoughts. Help us to wait on You, to listen patiently for Your voice, to seek Your will through concentrated study and reflection. May discussion move us deeper into truth and debate be the blending of varied aspects of Your revelations communicated through others. Free us from the assumption that we have an exclusive on Your guidance and that those who disagree with us must also be against You.

Above all else, we commit this week to seek what is best for our beloved Nation. Grant the Senators the greatness of being on Your side and the delight of being there together. In the name of Christ, Your righteousness name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable PAT ROBERTS, a Senator from the State of Kansas, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Kansas.

SCHEDULE

Mr. ROBERTS. Mr. President, today the Senate will resume debate on the China PNTR legislation. Under the order, Senator BYRD will debate his amendment in regard to subsidies for 1 hour. Following the debate on the BYRD amendment, Senator THOMPSON will be recognized to offer his China nonproliferation amendment. Further amendments may be offered during today's session, however, any votes during today's session ordered with respect to those amendments will be scheduled to occur at 9:30 in the morning on Tuesday. It is hoped that the Senate can complete action on this important trade bill as early as possible so that the Senate may begin consideration of those appropriations bills still available for action.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, leadership time is reserved.

TO AUTHORIZE EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PEOPLE'S REPUBLIC OF CHINA

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 4444, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 4444) to authorize extension of nondiscriminatory treatment (normal trade relations treatment) to the People's Republic of China, and to establish a framework for relations between the United States and the People's Republic of China.

Pending:

Wellstone amendment No. 4118, to require that the President certify to Congress that the People's Republic of China has taken certain actions with respect to ensuring human rights protection.

Wellstone amendment No. 4119, to require that the President certify to Congress that the People's Republic of China is in compliance with certain Memoranda of Understanding regarding prohibition on import and export of prison labor products.

Wellstone amendment No. 4120, to require that the President certify to Congress that the People's Republic of China has responded to inquiries regarding certain people who have been detained or imprisoned and has made substantial progress in releasing from prison people incarcerated for organizing independent trade unions.

Wellstone amendment No. 4121, to strengthen the rights of workers to associate, organize and strike.

Smith (of New Hampshire) amendment No. 4129, to require that the Congressional-Executive Commission monitor the cooperation of the People's Republic of China with respect to POW/MIA issues, improvement in the areas of forced abortions, slave labor, and organ harvesting.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

I believe there is a 1-hour time agreement on this amendment, in accordance with the usual form.

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. That allows me 30 minutes. I may not require all of that time today, Mr. President. I do have a second amendment on which there was an agreement, I believe last week, Thursday or Friday, which would limit the time to 3 hours to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair.

Mr. President, I wonder if I might offer that amendment today but take no time on it but just to be sure that it is offered and before the Senate? I would prefer that the final action be taken on that amendment following action on this first amendment on which I will be talking today. Final action at such time as the two leaders may agree.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

The PRESIDING OFFICER. Does the Senator propound that as a unanimous consent request?

Mr. BYRD. Mr. President, I ask unanimous consent that I may offer, before I yield the floor, that I may offer a second amendment on which there is already a time agreement of 3 hours in accordance with the usual form. I have no desire to debate that amendment today or to have a vote on it, but I simply want to get it into the mix, and at such time as the Senate would vote on the first amendment concerning which I would refer to as the subsidy amendment, then once time has run on that and we have a vote, I would be happy if we could take up the second amendment and have the debate on it and vote on it. If this causes any problem with respect to the Thompson amendment, I would be agreeable to reducing the time on my second amendment.

The PRESIDING OFFICER. Is there an objection to the Senator's request? The Chair hears none and it is so ordered.

Mr. BYRD. I thank the Chair.

Mr. President, the Senate will soon consider the subsidy disclosure amendment that I offered last Friday. And I say soon. I do not mean to imply that it will be today but it could be. I simply state that within the next day or so there will be a vote on that amendment. I urge my colleagues to vote in support of my amendment.

AMENDMENT NO. 4117

(Purpose: To require disclosure by the People's Republic of China of certain information relating to future compliance with World Trade Organization subsidy obligations)

Mr. President, I am informed that the amendment has not been called up. I ask that the amendment be called up and stated by the clerk.

The PRESIDING OFFICER. The clerk will report the amendment. The bill clerk read as follows:

On page 53, between lines 3 and 4, insert the following:

SEC. 402. PRC COMPLIANCE WITH WTO SUBSIDY OBLIGATIONS.

(a) FINDINGS.—Congress makes the following findings:

(1) A significant portion of the economy of the People's Republic of China consists of state-owned enterprises.

(2) Chinese state-owned enterprises receive significant subsidies from the Government of the People's Republic of China.

(3) These Chinese state-owned enterprises account for a significant portion of exports from the People's Republic of China.

(4) United States manufacturers and farmers should not be expected to compete with these subsidized state-owned enterprises.

(b) COMMITMENT TO DISCLOSE CERTAIN INFORMATION.—The United States Trade Representative—

(1) acting through the Working Party on the Accession of China to the World Trade Organization, shall obtain a commitment by the People's Republic of China to disclose information—

(A) identifying current state-owned enterprises engaged in export activities;

(B) describing state support for those enterprises; and

(C) setting forth a time table for compliance by the People's Republic of China with the subsidy obligations of the World Trade Organization; and

(2) shall vote against accession by the People's Republic of China to the World Trade Organization without such a commitment.

(c) STATE-OWNED ENTERPRISE.—The term ''state-owned enterprise'' means a person who is affiliated with, or wholly owned or controlled by, the Government of the People's Republic of China and whose means of production, products, and revenues are owned or controlled by a central or provincial government authority. A person shall be considered to be state-owned if—

(1) the person's assets are primarily owned by a central or provincial government authority;

(2) in whole or in part, the person's profits are required to be submitted to a central or provincial government authority;

(3) the person's production, purchases of inputs, and sales of output, in whole or in part, are subject to state, sectoral, or regional plans; or

(4) a license issued by a government authority classifies the person as state-owned.

Mr. BYRD. Parliamentary inquiry: The time utilized by the clerk in reading the amendment is not to be charged against my time, is it?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I thank the Chair.

Mr. President, I yield myself such time as I may require.

Voting in support of this amendment sends a message that the U.S. Senate seeks transparency to China's likely accession to the World Trade Organization (WTO). It sends a message that the Senate is prepared to ''stand up'' for U.S. industries, such as iron and steel, coal mining, and petroleum, as well as U.S. agriculture producers, such as the apple industry, and the beef industry. A vote in support of this amendment places members on record that they demand China's compliance with the promises that China has made under the bilateral trade agreement that it signed with the United States.

This amendment is simple and straightforward. There is no hidden poison pill! There is no trick procedure! There is no so-called catch twenty-two to this amendment! It does not impede the possible benefits of China's accession to the WTO that many of my colleagues are hoping for.

My amendment would require the United States Trade Representative (USTR) to obtain a commitment by the People's Republic of China to disclose information relating to China's plans to comply with the World Trade Organization (WTO) subsidy obligations. The amendment requires the USTR to obtain a commitment by China to disclose essential subsidy information unique to China's communist market. Specifically, the amendment would require China to identify, up front, current state-owned enterprises engaged in export activities; describe state support for those enterprises; set forth a time table for compliance by China with the subsidy obligations of the WTO, and the amendment provides the USTR with authority to vote against China's WTO accession without such a commitment.

This amendment only seeks to disclose information that confirms China's promised compliance with the WTO subsidy rules! It simply seeks that China disclose essential subsidy information forthright, openly, in the bright light of sunshine on a cloudless day. If China is serious about the promises that it has made to the United States on subsidies, this information should easily be provided. This amendment also helps with the many questions that have surrounded the transparency of the WTO rules, in general.

Let us not place U.S. industries in the position of being unfairly injured by Chinese imports illegally subsidized. Without his information, U.S. industries will be required to pay the huge fees associated with filing antidumping and countervailing duty cases in order to pursue data on illegal subsidy behavior in China.

We know that a significant portion of the economy of the People's Republic of China consists of state-owned enterprises! We know that Chinese enterprises receive significant subsidies from the Chinese government! We know that Chinese state-owned enterprises account for a significant portion of exports from the Chinese government!

This is a matter of fact. So I say to my friends here in the Senate, do not fool yourselves! State-owned enterprises continue to be the most significant source of employment in most areas in China, and some reports suggest that these subsidized enterprises accounted for as much as 65 percent of the jobs in many areas of China in 1995—the most recent data that the Library of Congress could provide on this matter. That's right. State-owned enterprises likely account for 65 percent of the jobs in most areas of China. What kind of funds and other assistance do state-owned enterprises in China receive from their government? We should know. Help me find out by voting in support of this amendment!

We should know. We ought to know. I ask that other Senators help us to know by helping us to find out this information. They can do that by voting in support of this amendment.

I understand that China has stepped up to the plate and signed a bilateral agreement with the United States that proclaims that China will cease the use of subsidies prohibited under the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement), including those subsidies contingent upon export performance and subsidies contingent upon the use of domestic over imported goods, which are strictly prohibited under the SCM. But, guess what? On July 21, 2000—just a few weeks ago—the President of the Export-Import Bank of China, Yan Zilin, was quoted in the China Daily as saying that China's state-backed financing played a strong role in boosting China's exports in the first half of this year! China is subsidizing its products to ensure that they can be exported

into foreign markets—including our market. U.S. companies cannot compete with such subsidies. Are Senators aware that China's machinery and electronic exports grew by 42.1 percent in the first half of 2000 reaching $47.1 billion and accounting for 41.1 percent of total exports?

Moreover, since having signed the bilateral agreement with the U.S., China has expressed a view that it should be included in the grouping of the poorest countries in the WTO—thus exempting China from the disciplines of the WTO subsidy codes altogether. We need to send the Chinese a strong message about the use of subsidies. We need to put in place some disclosure procedures that improve transparency about the use of such subsidies to Chinese industries.

My colleagues who are dead set against any amendments to this bill are bound to reflect back to the U.S.-China bilateral agreement and argue that the USTR has already secured an agreement from China to eliminate all WTO illegal subsidies, and that the WTO requires certain compliance procedures already.

However, the Chinese government oversees the top-to-bottom operations of many industries such as iron and steel, coal mining, petroleum extraction and refining, as well as the electric power utilities, banking, and transportation sectors. The staunchest supporters of passing PNTR to China acknowledge that the trade rules that the Chinese have agreed to will likely in the short term cause widespread employment. If the past is an accurate indicator, the Chinese government will be very tempted to simply ignore the rules that they agreed to and to use their domestic state-owned enterprises as a jobs program.

Former Secretary of Commerce William Daley stated that ''I do not pretend to think that this implementation of this agreement by the Chinese will be easy for them (the Chinese), and I would assume that we will have to, in the next administration, have to be very aggressive in their enforcement of the commitments that have been made.''

Let me remind you that, without doubt, subsidies with all of our trading partners have been very difficult issues to resolve, and not all subsidies are actionable. In fact, with years of trade relations and negotiations, the U.S. has yet to reach a subsidy understanding with the European Union on agriculture or on some industrial sectors such as aeronautics.

There is no harm in the extra measure of protection that is provided by my subsidy disclosure amendment. It provides transparency and will help many U.S. industries make improved, more educated decisions. So I urge members to support U.S. steelworkers, apple growers, electronic producers and vote for this amendment.

How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. BYRD. I yield the floor and I reserve the balance of the time on my amendment.

The PRESIDING OFFICER. The distinguished Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise in opposition to the amendment of my good friend from West Virginia. I do so because of my concern about the impact that amendments could have on this legislation, but also because of substantive concerns I have about his proposal.

Before I address the merits of his amendment, I wanted to take a few minutes to respond to the comments he made last week regarding the manner in which this legislation is being considered.

He very colorfully described this legislation as a ''greased pig'' and protested that the Senate had not had adequate time to consider its merits.

I am sorry that he feels this way, because with all the time I've spent on this legislation and with all the time I've waited for PNTR to be brought to the floor, I can say that this is no greased pig.

This legislation has been given a full and adequate hearing. The Finance Committee, which I chair, held three hearings on PNTR this year alone. At these hearings we heard from a full range of witnesses, pro and con, who discussed the significance of this agreement, not just from the perspective of trade, but also from the perspectives of foreign policy, human rights, religious freedom, labor rights, and others.

We have also benefited from the careful reviews by the Congressional Research Service, the International Trade Commission and the General Accounting Office, which has a team of analysts who have been following the China negotiations closely for several years now.

My committee also held an open markup, where the committee approved PNTR all but unanimously, by a vote of 19 to 1. My committee also considered the House-passed legislation in executive session, where my colleagues agreed with me and the distinguished ranking member, Senator MOYNIHAN, that we should support the legislation as passed.

Those actions, together with the hearings on PNTR that have been conducted by the Foreign Relations Committee, the Commerce Committee, and others hardly constitute rushed consideration of this important legislation.

Let us not forget that this legislation has been on the floor for consideration by the full Senate for 6 days, and will likely be here for another week. During this time we have been in regular order, and have welcomed all amendments. I would be hard pressed to think of another piece of recent legislation that has received more time and scrutiny that this has.

All of us who support PNTR understand well that amending this bill will threaten its passage. Our opponents, I think, understand this even better.

In the end, it is an exercise of our prerogatives to vote against amendments, given the threat they pose to the legislation. It is entirely appropriate for us to do so.

After all, there is nothing that can be added or subtracted from the legislation that will enhance our access to the Chinese market. There is also nothing that can be added or subtracted that will strengthen the unequivocal support contained in this legislation for human rights, labor rights, and the rule of law.

With that said, let me take a few minutes to discuss my colleague's amendment regarding subsidies. Although I unequivocally share Senator BYRD's views regarding the importance of compliance and regarding the significance of China's subsidies commitments, I must still oppose his proposal. I do so, not just because of my already stated concern about amendments, but also because of the substance of this amendment, which, in my view, is both redundant and flawed.

I would point my good friend to section 1106 of the Trade Act of 1988. The provision already conditions the President's extension of PNTR to China on a finding that China's state-owned enterprises are not disruptive to our trading interests. While I know that my colleague's amendment is crafted somewhat differently, the fundamental purpose of his amendment is already contained in section 1106. As such, it is redundant, and not necessary.

Moreover, this amendment overlooks the fact that we already have a specific time table for China to come into compliance with its commitments in this area—and that is the date of accession.

The amendment directs that China identify every entity receiving state support, yet the key feature of WTO disciplines is that they apply to the subsidy programs themselves. The Chinese have already agreed to end all prohibited subsidies, which is far more important that asking for a detailed company-by-company accounting of who gets what prior to China's entry into the WTO. Such an accounting, ironically, would delay accession, undermining the goal of achieving the subsidy disciplines in the first place.

All this is not to say that I, as chairman of the Finance Committee, believe that China's integration into the WTO system will be without complications. Setbacks and conflicts are inevitable. Anyone who thinks otherwise misunderstands the magnitude of the task that lays ahead for the Chinese.

That is why H.R. 4444 already directs USTR to provide a detailed annual report on China's compliance with its WTO commitments. That is also why the legislation authorizes the funds necessary to allow USTR, the Department of Commerce and other agencies to have the personnel necessary to monitor China's compliance and to take whatever actions necessary to enforce our rights.

The WTO process also takes full account of the imperative of monitoring China's compliance. That is why the WTO will establish a transitional review mechanism, through which WTO members will conduct regular reviews of all aspects of China's compliance. These reviews will be conducted as a matter of course and will avoid the need to resort to dispute settlement each time a conflict arises.

The Chinese have already agreed to such a review, though the specifics are still being worked out. That is why H.R. 4444 contains an unequivocal statement of Congress's support for such a review. I will take this opportunity to restate to both the administration and to the Chinese that it is imperative that the PRC be subjected to as rigorous a review as possible. This is essential not just for the United States, but also for the viability of the WTO.

In the end, I say to my good friend from West Virginia that we share a common objective, to end and I emphasize end—China's prohibited subsidies. At best, however, this amendment simply delays that goal.

None of the benefits of China's compliance will become available to us unless we pass PNTR. As I have said many times, any amendment added to this bill will likely kill this legislation, and kill the benefits of China's WTO commitments for our farmers and our workers. That is why I must oppose the amendment of my good friend.

Mr. BYRD. Mr. President, what is the number attached to the pending amendment?

The PRESIDING OFFICER. The number attached to the amendment is amendment No. 4117. The distinguished Senator is recognized.

AMENDMENT NO. 4131

(Purpose: To improve the certainty of the implementation of import relief in cases of affirmative determinations by the International Trade Commission with respect to market disruption to domestic producers of like or directly competitive products)

Mr. BYRD. Mr. President, earlier I received the permission of the Senate to offer a second amendment, not to have it debated but to have it in line for debate. I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 4131.

Beginning on page 16, strike line 11 and all that follows through line 2 on page 17 and insert the following:

''(k) STANDARD FOR PRESIDENTIAL ACTION.—

''(1) FINDINGS.—Congress finds that—

''(A) market disruption causes serious harm to the United States industrial and agricultural sectors which has grave economic consequences;

''(B) product-specific safeguard provisions are a critical component of the United States-China Bilateral Agreement to remedy market disruptions; and

''(C) where market disruption occurs it is essential for the Commission and the President to comply with the timeframe stipulated under this Act.

''(2) TIMEFRAME FOR ACTION.—Not later than 15 days after receipt of a recommendation from the Trade Representative under subsection (h) regarding the appropriate action to take to prevent or remedy a market disruption, the President shall provide import relief for the affected industry pursuant to subsection (a), unless the President determines and certifies to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that provision of such relief is not in the national economic interest of the United States or, in extraordinary cases, that taking action pursuant to subsection (a) would cause serious harm to the national security of the United States.

''(3) BASIS FOR PRESIDENTIAL CERTIFICATION.—The President may determine and certify under paragraph (2) that providing import relief is not in the national economic interest of the United States only if the President finds that taking such action would have an adverse impact on the United States economy clearly greater than the benefits of such action.

''(4) AUTOMATIC RELIEF.—

''(A) IN GENERAL.—If, within 70 days after receipt of the Commission's report described in subsection (g), the President and the United States Trade Representative have not taken action with respect to denying or granting the relief recommended by the Commission, the relief shall automatically take effect.

''(B) PERIOD RELIEF IN EFFECT.—The relief provided for under subparagraph (A) shall remain in effect without regard to any other provision of this section.

Mr. BYRD. Mr. President, I thank the clerk. I thank the Chair. As I understand it, the number on the amendment which was pending is No. 4117?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. May I inquire of the Chair, what will be the designation of the new amendment?

The PRESIDING OFFICER. Senate amendment No. 4131.

Mr. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that amendment No. 4117 be set aside temporarily and that amendment No. 4131 may be the pending amendment, with the understanding that it will be temporarily set aside also for the rest of the day.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. I thank the Chair.

As I understand it, there are 3 hours on the now-pending amendment, to be equally divided in accordance with the usual form.

How much time is there remaining on No. 4117?

The PRESIDING OFFICER. There are 12 minutes 41 seconds.

Mr. BYRD. For my side?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. How much is there for the other side?

The PRESIDING OFFICER. There are 19 minutes 3 seconds.

Mr. BYRD. I thank the Chair.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I suggest the absence of a quorum without the time being charged against anybody.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THOMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

Under the previous order, the hour of 1 p.m. having arrived, the Senator from Tennessee, Mr. THOMPSON, is recognized to offer an amendment.

AMENDMENT NO. 4132

(Purpose: To provide for the application of certain measures to covered countries in response to the contribution to the design, production, development, or acquisition of nuclear, chemical, or biological weapons or ballistic or cruise missiles)

Mr. THOMPSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. THOMPSON] proposes an amendment numbered 4132.

Mr. THOMPSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. THOMPSON. Mr. President, it has been said that the vote on permanent normal trade relations with China is one of the most significant pieces of legislation this body will have voted on in a long time. That very well may be true.

For a number of reasons, I think most of the Members of this body are firmly committed to the concept of free trade. It has done the United States very well. We all know we are in the midst of a technological revolution that is increasing our productivity in this country and is giving us advantages we have never known before in the international marketplace. But it is not a zero sum game either; it has been beneficial for the whole world.

I sign on to the concept that free trade leads to free markets and that free markets can lead to freer societies. The new trade arrangement we will be entering into with the People's Republic of China is also unique in many respects. As we know, they have 1.2 billion-plus people in China. It is a tremendous market upon which everyone now is focused. While our trade with China only constitutes about 2 percent of our international trade at this point, there are those who believe that can be increased substantially.

Usually we are trading with people who share our ideals and who share our

values. This is not always true as far as the People's Republic of China is concerned. We have just been reminded again by our own State Department that the religious persecution that has been going on in China for some time actually is not only not showing any improvement; it seems to be deteriorating. Yet there are many here who argue—most of the people in this Chamber, I assume—that PNTR represents something so attractive to this country that we must adopt it, that it is a good deal.

That argument is powerfully set forth, even though the PRC has not kept agreements in times past. Even its foremost advocates would have to acknowledge that its record on compliance with agreements in times past has been spotty at best. When it comes to intellectual property, for example, it has been a haven of piracy. They have been major exporters of pirated goods from this country.

One must also wonder whether or not the Chinese can really comply with the commitments they have made in light of the economic conditions in their country. They are experiencing slower growth rates. They are experiencing greater unemployment. We are seeing indications of rioting in various parts of China because of unemployment and because of some of the things we have seen happen in Russia and other countries. When they begin to privatize a little bit, some of the governmental officials seem to wind up with the goods and the property, and the average people see that and don't like it. It causes instability and in some cases rioting. That is prevalent in China right now. If they lower the barriers in ways they are talking about, it will only increase that instability. Obviously, it will have to be done gradually and over a very long period of time.

That is why it is wise for us not to overhype the benefits we may get out of this action. We do about 2 percent of our trade with China now. Most people think the maximum probably is going to be up to 2.5 percent of our trade. So it is important to our country, but it is not of monumental importance, in my opinion, especially in the short run, in light of all these immediate difficulties they are going to have in implementing what they say they are going to implement.

We should be realistic, too, especially in light of the fact that we are going to be giving up many of the unilateral actions we could take under present circumstances. When we go into a WTO context, we will be having to depend upon that body, that organization, and the international community, as it were, in order to seek compliance. Many writers have pointed out this is going to be very difficult because China is not a transparent society. How do we prove unfair trade practices or violations of WTO if there are no records that are decipherable with which to prove it?

So there are many difficulties with the implementation of this agreement which might result in greater riches to this country and doing something about the $68, $69 million trade imbalance we have with China right now.

So it is a gamble. It is a gamble on our part that by gradually lowering these barriers to trade, by gradually opening up society, this trade will lead to a gradual opening up of society with the Internet and what not, additional travel and additional exchange programs and additional trade; that we will wake up one day and China will be a democratic society. And in the meantime, we will maintain their friendship so that the world will not be a more dangerous place but a less dangerous place.

That is the gamble we are making because clearly if this is carried out the way that people on both sides hope it will be, China will become even more powerful economically with all those great numbers of people, and therefore they will become much more powerful militarily. You only have to read a little bit of what is coming out of China these days by their intelligentsia concerning military plans and their view of the United States and the fact that many in their country see conflict as inevitable, and that they are laying the firm economic groundwork so that they can have a growing and more powerful military in the future. That should be of great concern to us. We are limited as to what we can do about that.

So we take this gamble, before that comes into fruition—if that is their path—that they can open up that society somewhat and lead to a more open society, a democratic society. On the other hand, the Chinese are taking a gamble in that they can open up economic trade somewhat, and they can adopt a more capitalistic society and still maintain dictatorial control from the top, and that it will not get away from them. Our people say that once that starts happening, once we get in there, there will be no stopping it; democracy is right down the road.

The Chinese don't see it that way. They are gambling. I think it is a gamble worth taking. I think it is a gamble worth taking because of our leadership and free markets and free economies and democratic society in this country. I think we should go down that road and we should take that chance. And I am not sure we have much of an option in that regard. But while we take that chance, we should be very mindful of the dangers that are presented to this country down the road from China and others. And we should be especially mindful of one particular category of Chinese conduct right now of all the categories that concern us, including human rights, religious freedom, and all the rest.

The one particular category that poses a mortal threat to the welfare of this Nation has to do with the proliferation of weapons of mass destruction. The fact is that while we are willing to take this chance and we go down the road to trade with China, they are engaging in activities that pose a mortal danger to the welfare of this country. That is the subject of the amendment that I have just offered.

The China nonproliferation amendment seeks to do something about this. I have sought to have a separate vote on this amendment because I don't consider it to be a trade-related amendment. I have sought, for about a month now, to have a debate in the context of our relationship with China but not to have it as an amendment to PNTR. I have been thwarted in that effort. I only have two choices—either relenting altogether or doing what I said I would do; that is, filing it as an amendment to PNTR. Well, that choice is obvious. I have made that choice today because of the importance that I attach to it.

Mr. President, the world is a more dangerous place today because of a growing number of so-called rogue nations such as North Korea, Iran, and Libya, who have obtained and are in the process of obtaining additional weapons of mass destruction and the missile means by which to deliver them. Now, Congress has been informed of this on numerous occasions. It doesn't get a lot of attention but the information has been consistent. Two years ago, the bipartisan Rumsfeld Commission concluded that rogue states such as North Korea and Iran could develop an intercontinental ballistic missile within 5 years of deciding to do so. It is pretty clear that they have decided to do so.

Shortly thereafter, North Korea surprised our intelligence agencies by successfully launching a three-stage rocket over Japan, essentially confirming what the Rumsfeld Commission had told us. Last September, the National Intelligence Estimate, released a report that ''During the next 15 years, the United States most likely will face ICBM threats from Russia, China, and North Korea, probably from Iran, and possibly from Iraq.'' It went ahead to point out that as soon as economic sanctions were lifted against Iraq, they will probably be back in business. Saddam will be reinstituting his ability to wreak havoc in various parts of the world along with the rest. We have received other intelligence reports. Much of it is classified, so I invite my colleagues to avail themselves of these reports, which are even more troubling than what has been made public.

Earlier this year, Robert Walpole, National Intelligence Officer for Strategic and Nuclear Programs, testified that the threats to our Nation's security are real and increasing. Mr. President, it is clear that these rogue nations may have ICBMs much sooner than previously thought, and that they will be more sophisticated and dangerous. And we have taken note in this Congress—finally, last year—by passing the National Missile Defense Act. That is the primary reason that we need a national missile defense system

in this country. We belatedly recognized that because of this threat I speak of from the rogue nations.

But that is only half of the story. Equally alarming is the fact that Congress has also been repeatedly informed that these rogue nations are being supplied by major nations with whom the United States is entering into increased cooperative arrangements. Last month, the Director of the CIA provided to Congress the intelligence community's biannual report on the proliferation of weapons of mass destruction. We get these reports sent to Congress twice a year.

Basically, they have always been in recent history, the same. This report identified China, Russia, and North Korea as key players in nuclear, biological, and chemical weapons technology. According to this report, the Chinese activity has actually increased in support of Pakistan's activities. And China has also ''provided missile-related items, raw materials, and/or assistance to several countries of proliferation concern—such as Iran, North Korea, Libya.'' China, of course, has a long history of proliferating chemical weapons technologies to Iran—nuclear, chemical, and biological.

The DCI's report also describes Russia's efforts to proliferate ballistic missile-related goods and technical know-how to countries such as Iran, India, and Libya. Russia is also identified as a key supplier of nuclear technology to Iran and to India. They also have provided a considerable biological and chemical expertise and technology to Iran.

North Korea, of course, was identified as a key supplier. This is an interesting country because they have a nation full of people who are apparently starving to death. Yet they not only have managed to become a threat themselves, they have become the clearinghouse for that part of the world. They have become a vendor of weapons of mass destruction. They get help from the big powers, and then with regard to the other smaller powers in that part of the world they begin to assist them. The report identified North Korea as a supplier of ballistic missile equipment, missile components, and material expertise to countries in the Middle East, south Asia, and North Africa, just as North Korea is doing.

This latest CIA report is consistent with past reports. We have seen it throughout the 1990s. China is supplying Pakistan with everything from soup to nuts for their mass destruction capabilities, and assistance to North Korea's weapons of mass destruction and missile programs. Just this summer, it was reported that China was helping Pakistan build a second missile factory, transferring missile equipment to Libya, assisted Iran with its missile program, and diverted a U.S. supercomputer for use to its own nuclear programs. All of this occurred in violation of a variety of international treaties, agreements, and U.S. laws.

The bottom line is that these activities by China, Russia, and North Korea pose a serious threat to the United States. That threat is growing. This is at a time when we are granting permanent normal trade relations to China. This is at a time when we are sending over $1 billion a year to Russia and providing other assistance to North Korea.

It is inconceivable to me that while we discuss trade issues and a new relationship with China, we will not address what China is doing to endanger our country. It is just that simple. That is what this amendment does.

I know people in this body want to pass PNTR. They do not want any complications. They want to get it done, wrapped up; the President wants his legacy, and we want to please our friends in the business community; and we all know trade is a good thing, and so forth. But it is inconceivable to me that we can address these trade-related issues and embrace our new trading partner—China—in a new regime without also addressing and doing something about the fact that they are making this world, and particularly the United States, a more dangerous place to live. The Federal Government's first responsibility is national security.

In July of 1999, the bipartisan Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction—commonly known as the Deutch Commission—concluded that ''the U.S. Government is not effectively organized to combat proliferation,'' despite the fact that ''Weapons of mass destruction pose a grave threat to United States citizens and military forces, to our allies, and to our vital interests in many regions of the world.''

It couldn't be any plainer than that, from one of our bipartisan commissions of experts that look at this and try to come to us and warn of what is happening.

Therefore, Senator TORRICELLI and I have introduced the China Nonproliferation Act. Now we have introduced it as an amendment to PNTR. This amendment provides for an annual report to Congress and to the American people as to the proliferation activities of these three nations because they are the ones on which the CIA is required to report now anyway because they have already been identified as key suppliers—the three nations I have mentioned: China, Russia, and North Korea.

It authorizes the President, if he makes the determination based on the credible evidence he has before him, to impose some non-trade-related sanctions on these Chinese companies that are selling these weapons of mass destruction. It authorizes the President to take various actions. There is a list of them.

One of the things it authorizes him to do is to cut these companies out of our capital markets in this Nation. China raises billions of dollars in our capital markets on the New York Stock Exchange to go back and spend on its own military. Most people do not know that, I assume. I am not here suggesting we stop that, unless the President determines that they or their companies are engaging in activities, which are controlled by them, that are dangerous to this Nation.

Is this not the minimum we can do in this legislation? There is other legislation on the books, certainly. But this legislation, by a more extensive report, requires the President to come to Congress, basically—it does not force the President to take any action, but if he doesn't take action against these companies that are found to be proliferating, he has to tell Congress why.

In this legislation, if 20 percent in Congress decide they don't accept the President's conclusion, they can introduce a resolution of disapproval and get a vote on certain sanctions against these proliferating entities. The President, of course, can veto that. It would be tremendously difficult for Congress to force anything through. But it would be a very good debate, and in egregious circumstances that we have seen in times past, I think Congress actually could get some responses through.

The legislation also provides for increased transparency. When the President determines that these companies are proliferating and selling weapons of mass destruction, the legislation provides that the President has to inform Wall Street, and the Securities and Exchange Commission has to come up with rules and regulations that will inform investors they are investing with a company that our country and our President has determined to be a seller of mass destruction. They can still do that, if they want to. But they ought to know about it. It is amazing that this law is not already on the books.

Lastly, it provides for a Presidential waiver based on national security if the President decides, for his good reasons, that is appropriate. The bottom line is that with all of this concern, talk, and hullabaloo about what this legislation does and doesn't do, until the President makes a determination that these companies are engaging in activities that are a threat to this Nation, if our President does that, do we not want to take action?

We made changes to this legislation. The critics came out of the woodwork. No one wants anything that will complicate our trade bill with China these days, it seems. I am afraid some of the pro-trade people have their blinders on. I agree with them on how important free trade is and how important this bill is, and so forth. But we have an additional obligation which I tried to suggest to my friends. We have an additional obligation not just to put money in our pockets in trade today but to look down the road for our kids and grandkids to see if our trading partners are doing something that will endanger their welfare.

We have listened to our critics. We have made changes. We have tried to make sure our response was reasonable and measured.

Instead of singling out China, we added the other two countries.

Instead of having mandatory sanctions tying the President's hands, we gave the President additional flexibility where he must find that there is cause for a determination to be made against these companies.

The bill now contains a blanket provision that protects the agricultural community from adverse impact.

The bill's penalties only apply to key supplier countries and not to U.S. companies and will not affect U.S. workers.

We made changes in the congressional review procedure so one person couldn't tie up the whole body. It has to be one-fifth of the Members of either House to sign a joint resolution of disapproval. It is a measured response to a very serious problem.

Our critics have been numerous, persistent, and vociferous. They claim that the world will come to an end basically if, while we are passing PNTR, we irritate the Chinese by informing them there will be consequences to their irresponsible behavior. I don't think the world will come to an end if we do that. I think the world will be a more dangerous place if we don't do that.

Let's take a look at some of the things that have been said: Existing laws are sufficient, that we already have the authority on the book. If that is true, why do we see an increasing problem? All we need to do is look at the latest report from the Director of the Central Intelligence. Behavior has worsened in the past year. On the eve of considering PNTR, the behavior has worsened. What will it be after we approve PNTR?

On the eve of the Senate's consideration of PNTR for China, and after the House had already voted, it was revealed that China was assisting Libyan experts with that country's missile program, illegally diverting U.S. supercomputers for the use of the PRC's nuclear weapons program, and helping to build a second M–11 missile plant in Pakistan. And Iran test fired a Shahab-3 missile capable of striking Israel, capable of striking American troops, capable of striking Saudi Arabia or American bases located within the border of our NATO ally, Turkey. This missile was developed and built with significant assistance from the People's Republic of China, and the classified reports of Chinese proliferation are even more disturbing.

If everything is so hunky-dory, why is this happening? Why does this continue to happen? I don't think the critics are that concerned that we are duplicating existing law or it might be useless. I think they are concerned that it might be useful and that it will substantially get the attention of the Chinese. That is exactly what I intend to do.

Some say: We don't want to upset them while we are entering into this new trade relationship. I say that is exactly the time when we should upset them, if, in fact, they are making this a more dangerous world and posing a threat to the United States of America.

Some say: Let us continue with our diplomacy; we can talk to them and we can work things out. Where is the evidence of this? All I see is evidence of three delegations of senior administration officials going to Beijing, hat in hand, asking them to stop the proliferation activities, and each was sent back to Washington emptyhanded and told pointblank, according to the newspaper accounts and according to the quotation of those who were on the delegation, that as long as we persisted in a national missile defense system and as long as we persisted in supporting Taiwan, they were going to persist in their proliferation activities.

Basically, we can like it or lump it. Last Friday, I was interested to see three different delegations, including our Secretary of Defense, our Secretary of State—not minor; first in the administration—perceive this problem. They just don't want to do anything to acknowledge the shortcomings of this administration in having dealt with this problem or failing to deal with it.

Last Friday, the President got a face-to-face meeting with Jiang Zemin. I was interested in the subject of proliferation, and their activities with Pakistan, totally throwing that place out of balance. It is a tinderbox waiting to explode. Most accounts have Pakistan far and away leading India now in terms of their abilities. That is a dangerous situation.

According to the New York Times International on Saturday, September 9, ''President Clinton yesterday urged Jiang Zemin to put a stop to China's missile exports to Pakistan.'' Well, better late than never. ''But in what had already been a week of diplomatic frustration for Mr. Clinton, Mr. Jiang offered little more than good wishes for the President's retirement in 4 months and thanks for supporting China's bid to join the World Trade Organization.''

The article went on to say: ''Mr. Clinton's aides had played down the prospects of any major progress on Chinese missile exports, Tibet or Taiwan, during Mr. Clinton's last months in office. But they had hoped that the expected Senate approval this month of permanent normal trade relations with China—which the United States promised as part of its accord with China that ushers it into the World Trade Organization—would be rewarded.'' We were hoping that by doing all this the Chinese would reward us for this. ''They hoped to claim political progress on issues that have bedeviled Washington's relations with Beijing since the two first met in 1993.

''In a measure of the two leaders' continuing communications problems after seven years of interchanges, a senior administration official said yesterday the meeting was designed to get these two men on the same wavelength. . . .

''The conversation on China's missile exports to Pakistan came after Mr. Clinton, earlier this summer, sent a delegation to China to try to cut off the supply. The administration worries that any new missile technology would heighten Pakistan's ability to strike India.

''But Mr. Jiang, by all accounts, has paid little attention to the issue.''

I can't be bothered with you, son. We will continue our activities while we expect you to approve PNTR—no questions asked and no amendments added.

We, in the United States, ought to be embarrassed and ashamed at that turn of events.

Some say the unilateral sanctions can never be effected. I prefer bilateral sanctions, but we have apparently lost the ability to do much bilaterally these days. We can't even get a resolution through the United Nations condemning China for its obvious human rights violations. Our bill recognizes the value of this multilateral approach. It would be preferable. But over the years we have seen, though, that sometimes we need to act ourselves.

The major threat to these missiles and weapons of mass destruction is not Belgium, or any of our allies; it is the United States of America. We can't wait until we get everybody together on the same page which, as I said, is more and more difficult to act. In times past, we have seen that U.S. economic pressure in the late 1980s and early 1990s led China's accession to the Nuclear Non-Proliferation Treaty in 1992. In 1991, the Bush administration applied sanctions against the PRC for missile technology transfers to Pakistan. And on and on. Even the Clinton administration took measures that led to the imposition of sanctions on the PRC for M–11 missiles on one occasion, M–11 missile equipment to Pakistan in violation of the Missile Technology Control Regime.

Anyway, they backed down and Mr. Berger acknowledged that sometimes these unilateral actions can be beneficial. Some say the dialog will assist, and perhaps it will, but only in conjunction with firm action.

The leaders of PRC are not irrational people. They only can go as far as they can. We have, obviously, allowed them to do what they are doing. When we take actions detrimental to them, they will respond to that, as they have in times past.

We need this amendment more than we did even a few days ago. The President recently decided not to move forward on a national missile defense. As I said earlier, national missile defense, of course, is in primary response to these threats of rogue nations. According to our estimates, they will have the ability to be a threat to us in 2005. By the President's actions, now we will be unguarded for at least a year, and maybe 2 or 3.

Doesn't it make sense to take this opportunity to at least have the threat of some sanctions for their activities during that period of time? Of course, China and Russia are vociferously opposing a national missile defense. I find that ironic: The same countries supplying these rogue nations with technology and missile equipment to build missiles of mass destruction are the ones that are doing the complaining.

I talked about the provision concerning transparency and giving the President, if he finds that it is justified, the authority to do something about their access to our capital markets. To date, over a dozen Chinese firms have raised billions of dollars in the U.S. capital markets.

The Deutch Commission again stated:

> The Commission is concerned that known proliferators may be raising funds in the United States capital markets.

The Cox Commission review of the U.S. national security concerns with China also conclude:

> [I]ncreasingly, the PRC is using U.S. capital markets as a source of central government funding for military and commercial development and as a means of cloaking technology acquisition by its front companies.

As we stand idly by.

In conclusion, I understand there are many who are saying: THOMPSON, we think you are trying to do a good thing here. Yes, we really do need to address this. Yes, we let it go unattended for too long. But, as an amendment to PNTR, if you add it to PNTR it will have to go back to the House and, goodness, we don't know what will happen over there if it goes back to the House.

The idea is that, I guess, what, 40 people would change their votes? With the Democratic Party thinking that they are very close to taking over the House of Representatives, and with the labor organizations having lined up support for Vice President Gore for President, the thinking is going to be that the labor unions are going to press 40 Members to change their votes so going into the election they will have a vote on each side of this issue? I think that is absurd on its face. If we agree to this amendment, the House will ratify it within 24 hours.

Besides, doesn't that beg the question? Should our primary question be whether or not the House would ratify what we do? Since when does the Senate vote on an item simply because they are afraid of what the House of Representatives might or might not do?

House Members included provisions in their bill regarding prison labor, import surges, religious freedom, increases in funding for Radio Free Asia. All of that was in their bill. And we are saying we can't add nuclear proliferation to that list of items? Are we going to tell the world that nuclear proliferation is not as much a concern as is funding for Radio Free Asia?

I think we should ask what we would be signaling to the world if, at a time when we say we need a national missile defense system, we act as though we are not concerned about nuclear proliferation at all. What signals are we sending to our allies, such as those in Taiwan? If we don't have the wherewithal to defend ourselves, how can they ever depend upon us to have the fortitude to defend them, if it really comes down to it?

What does it say about ourselves in dealing with a country that threatens Los Angeles? Since the last MFN vote—even besides and in addition to the increasing religious clampdown that we are seeing over there—they have sent missiles across the Taiwan Strait and they have unashamedly stolen nuclear secrets. They continue their proliferation activities. They tell our delegations, and even our President, that they are not going to be responsive at all to our concerns. They are not going to deny at all what they are doing. They are just going to tell us they are going to keep on doing it.

And sending major delegations to Belgrade and praising Milosevic and saying the United States of America is making the world a more dangerous place because of what we did in Yugoslavia? All of that has happened since the last time we approved PNTR.

What have we done in return? The President goes over and chastises our allies in Taiwan. He adopts the four ''noes'' the Chinese wanted him to. We grant concessions on WTO; We grant concessions on export control; We give China and Russia a veto on our national missile defense system; and we turn a blind eye to the proliferation activities they continue.

We must ask ourselves, Is this the road to peace? Is this the road to peace? The strategic ambiguity may have worked for a little while in an isolated place, but it is getting to a place now where the Chinese do not know where we are coming from, where we will draw the line, or if we will not draw the line. I don't know, and I daresay the American citizens don't know. But there have been a couple of other wars that some historians say, because of this ambiguous kind of posture, became more likely. It has been more likely to get us into wars than to keep us out of wars. Leaving the impression that we will not act when, in fact, we might is just the kind of thing that is going to cause us to get into trouble.

I finish by saying I support PNTR. There is no reason why we cannot trade, even with those who are engaging in some of the activities I have described. But we cannot do so while turning a blind eye to all of these reports of all of this dangerous activity, all of this continued activity by these countries. Because if we ever signal to the world that we are more concerned with the trade dollar than we are with our own national security, we will not remain a superpower for very long. Therefore I urge adoption of this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise to oppose the amendment of my distinguished colleagues from Tennessee and New Jersey. While my friends have in good faith tried to address a critical issue—the serious national security threat posed by the proliferation of weapons of mass destruction and their means of delivery—I believe the approach they take in this legislation is flawed.

I say this as a former chairman of the Senate Governmental Affairs Committee—the committee with jurisdiction over nuclear export policy. Indeed, it was during my tenure in that position that the Nuclear Non-Proliferation Treaty came up for extension. I spent a good deal of my time in 1995 working to build congressional support for the NPT's permanent and unconditional extension.

Without the backing of Congress, the U.S. would not have been able to exercise the strong leadership essential to overcoming opposition from an assortment of countries. Fortunately, on May 11, 1995, the more than 170 countries party to the NPT agreed to extend the treaty without condition or qualification.

That was a proud day for me and a truly historic day in our ongoing efforts to make ours a safer and more peaceful world. The amendment before us today reflects similar admirable intentions.

However, there is a gap in this legislation between intention and result. In particular, this legislation relies on sanctions that are too widely drawn and too loosely conceived to prove effective in countering proliferation.

In addition, this amendment will harm our workers and businesses, our key alliances, and the multilateral non-proliferation regime that is essential to stemming proliferation in a global economy.

Finally, I believe this legislation will significantly compromise our ability to address the two most important foreign policy challenges this country faces—China's rise and Russia's potential slide into instability.

I will discuss each of these problems in turn, beginning with sanctions.

This amendment uses as its principal tool unilateral sanctions. Indeed, this amendment represents the single largest expansion in our reliance on unilateral sanctions since the end of the cold war.

And if there is one thing Congress should recognize after so many attempts at using such methods to force other countries to change their behavior, it is that, as Brent Scowcroft put it:

> . . . the record of U.S. unilateral sanctions is one of unblemished failure.

In a global economy, shutting off Chinese and Russian access to American goods and capital markets will not change Chinese or Russian behavior.

Indeed, as Frank Carlucci noted in a letter he recently sent me, such actions

. . . would likely isolate the United States, not China, giving our European and Asian competitors an open field in providing goods, services and financing to the most populous nation in the world.

The fact is that telling China or Russia to buy machinery, aircraft and agricultural products from our competitors in Europe, Canada and Japan, instead of from the United States, does not provide us any leverage. That is because American workers and companies will be punished rather than Chinese or Russian proliferators.

Moreover, for the first time, U.S. securities markets will be used as a sanctioning tool. This is a particularly troubling aspect of this amendment because our capital markets have played such an enormously important role in fueling America's record-breaking economic expansion, and the strength of our capital markets is based on a degree of predictability and political certainty that this amendment would undermine.

That is one of the reasons why Alan Greenspan opposes this legislation.

But there are other reasons he took this position. Let me quote what he said in testifying before the Senate Banking Committee a couple of months ago. I will do so at some length because I think his views—especially when expressed in such strong and unusually unambiguous terms—are worth heeding:

In addition to questioning the value of this amendment, there's a very serious question as to whether it will produce indeed what is suggested it will produce.

First let me just say that the remarkable evolution of the American financial system, especially in recent years, had undoubtedly been a major factor in the extraordinary economy we've experienced, and it's the openness and the lack of political pressures within the system which has made it such an effective component of our economy and indeed has drawn foreigners generally to the American markets for financing as being the most efficient place where they can, in many cases, raise funds.

But it is a mistake to believe that the rest of the world is without similar resources. Indeed, there's huge dollar markets all over the world to lend dollars.

Because of the arbitrage that exists on a very sophisticated level throughout the world, the interest rates and the availability of funds are not materially different abroad than here. We do have certain advantages, certain techniques, which probably give us a competitive advantage, but they are relatively minor.

But most importantly, to the extent that we block foreigners from investing or raising funds in the United States, we probably undercut the viability of our own system.

But far more important is I'm not even sure how such a law could be effectively implemented because there is a huge amount of transfer of funds around the world.

For example, if we were to block China or anybody else from borrowing in the United States, they could very readily borrow in London and be financed by American investors. Or, if not in London, if London were financed by American investors, London could be financed, for example, by Paris investors, and we finance the Paris investors.

In other words, there are all sorts of mechanisms that are involved here. So the presumption that somehow we block the capability of China or anybody else borrowing in essentially identical terms abroad as here in my judgment is a mistake.

So a most fundamental concern about this particular amendment is it doesn't have any capacity of which I'm aware to work. And by being put in effect, the only thing that strikes me is a reasonable expectation that it would harm us more than it would harm others.

The sanctions in this amendment are not only unilateral and uniquely encompass our securities markets; they are also indiscriminate in their application. Sanctions in the amendment would apply to ''persons'' defined as ''any individual, or partnership, business association, society, trust, organization, or any other group created or organized under the laws of a country; and any government entity.''

The problem with mandatory sanctions is that they force a rigid response, one as likely to exacerbate a problem as solve it. At a minimum, they do not permit the discretion necessary to determine whether or not the sanctions provide the best approach to achieving the non-proliferation goals we all share.

Let us not forget that the mandatory sanctions of the Glenn amendment did not deter India or Pakistan from testing nuclear weapons. Those sanctions, however, did have an impact. Unfortunately, the impact was a negative one, causing harm to our farmers grievous enough for Congress to provide relief by passing the Brownback amendment.

Now even though the President is theoretically able to waive sanctions, Congress gains the power to overturn the President's decision through a procedure similar to and as cumbersome, disruptive and counterproductive to American interests as, the one we currently use in annually renewing normal trade relations with China.

For example, the amendment provides fast-track procedures for automatic consideration of joint resolutions, automatic referral of joint resolutions to the Senate Foreign Relations Committee and the House International Relations Committee, automatic discharge from committee, and privileged status on the floor of both the House and Senate for the resolutions.

In other words, this amendment provides for procedures virtually identical to those specified in the Jackson-Vanik amendment, which has forced Congress to engage in it annual—and notably sterile—debates on China's trade status.

PNTR would end this counterproductive process, unless of course this amendment were to pass. If it did, annual votes would resume on sanctions, and not only on China, but also on Russia, North Korea, and undoubtedly other countries as well.

In fact, the amendment defines a ''covered country'' to include any country that was previously listed in the Director of Central Intelligence's Section 721 report and identified as a ''source or supply of dual-use and other technology,'' unless that country has not been identified by the DCI for 5 consecutive years.

In 1997, the section 721 report listed some of our closest allies, such as Germany, the United Kingdom, Italy, and France, as targets of acquisition for WMD programs.

The amendment thus could force us to sanction some of our closest allies, including those who work most closely with us in the fight against proliferation of weapons of mass destruction.

I cannot believe that sanctioning allies who have actively worked with the United States to enforce international nonproliferation agreements will help us in furthering mutual nonproliferation efforts. Surely such actions will make future multilateral cooperation—which is absolutely essential to solving proliferation problems—far more difficult.

In fact, that point was made by the Ambassadors of Sweden and France and the Charge of the European Commission in a joint letter they sent me. Here is a part of what they said:

We would like to emphasize the member states of the EU are strictly adhering to and enforcing the provisions of the multilateral export control regimes (Nuclear Suppliers' Group, Missile Technology Control Regime, Australia Group, Wassenar Arrangement) and are parties to all the relevant Non-Proliferation and Disarmament Treaties, including the Chemical Weapons Convention. The EU works closely with the US in stemming the proliferation of weapons of mass destruction. We have worked jointly to strengthen the non-proliferation regimes and to address specific cases.

Against this background, we are concerned that [the Thompson amendment] could potentially be used to threaten EU entities with US sanctions. These EU entities are fully subject to EU member states' controls in compliance with all non-proliferation and export control regimes. We are also highly concerned by attempts to broaden the scope of export controls beyond those agreed at the multilateral level.

Let us reiterate that the EU and its Member States fully share the United States' determination to effectively combat the proliferation of weapons of mass destruction, as we express it in the Joint Statement on Non-Proliferation, which was issued at the May 1998 US-EU Summit . . . However, we urge you to clearly target these pieces of legislation and thus to avoid the surely unintended consequence of undermining US-EU cooperation on non-proliferation matters.

We would also like to remind you that any legislation of this type undermines the credibility of multilateral efforts in the field of non-proliferation.

This last point the Europeans make—about how this legislation may undermine multilateral nonproliferation efforts is one shared by American proliferation experts such as Frank Carlucci. As he said in his letter to me:

The important and serious issue of Chinese arms transfers requires a concerted and effective multilateral—

I emphasize the word ''multilateral''—

response, not the imposition of unilateral sanctions which would have no effect on the

sources of the transfers. The United States must provide leadership to the international community on this issue, not isolate itself from our allies by pursuing a course of action that no other nation will follow.

Just as troubling as the sanctions themselves are the evidentiary standards used to trigger the sanctions. The measure of proof for violation of U.S. nonproliferation and export control policies, and thus the threshold for invoking sanctions contemplated by this amendment, is one of ''credible information.'' When this term has been used in the past, it has been defined as ''information which produces a firm suspicion, but by itself, may not be sufficient to persuade a reasonable person with confidence'' that the sanctionable activity took place.

Surely, critical national security actions should be based on a higher standard, especially when they are being applied to our closest allies.

There is one other aspect of this amendment that concerns me. Indeed, it is the one I find most troubling of all. This amendment will severely constrain the next administration in developing the sort of coherent, consistent, and comprehensive policies toward China and Russia that the United States has so sorely lacked for 8 years.

As important as curbing Chinese and Russian proliferation activities is, we must deal with the whole broad range of challenges these two countries present to U.S. interests.

In the case of China, for example, we have an interest in peacefully resolving the cross-straits issue as well as the potentially incendiary problems afflicting the Korean Peninsula, South Asia, and the South China Sea. We have an interest in encouraging China's transition to capitalism and the attendant political reform I believe that transition will help foster. And we have an interest in continuing to press China to provide its citizens basic human rights and religious freedoms.

In the case of Russia, we have an interest in fostering the evolution of true democracy, capitalism, and the rule of law; in curbing corruption and in resolving the deadly conflict in Chechnya and the continuing instability in the Balkans.

Given these and other critical foreign policy challenges posed by China's rise and Russia's potential slide into instability, we will not hold our policies hostage to individual issues, as important as those issues may be.

Stemming proliferation by China, Russia, and other countries will only be possible if we get our overall policies toward those countries right. Let me read something from a report on China put out recently by the Carnegie Non-Proliferation Project which I think is instructive. Here is what it says:

Encouraging Chinese acceptance of global non-proliferation norms has been a long-term process, concurrent with the larger effort to normalize relations with China . . . During the years of isolation from the West, China's posture rhetorically favored nuclear weapons proliferation, particularly in the Third World, as a rallying point for anti-imperialism. Through the 1970s, China's policy was not to oppose nuclear proliferation, which it still saw as limiting U.S. and Soviet power. After China began to open to the West in the 1970s, its rhetorical position gradually shifted to one of opposing nuclear proliferation, explicitly so after 1983.

China's nuclear and arms trade practices did not, however, conform to international non-proliferation regime standards, and major efforts over two decades were required to persuade China to bring its nuclear trade practices into closer alignment with the policies of the other nuclear supplier states. [Yet] there is still a gap that needs to be closed . . .

China is still on a learning curve, and endemic problems of a political, cultural and organizational nature exist in China's decision-making apparatus . . . Thus, continued vigilance and diplomatic interchange with China will certainly be necessary on nuclear matters.

The missile, chemical and biological areas will also require diligent attention. Up to 1994, China made progress on MTCR requirements. But it is still not clear that its professed restraint applies, as the MTCR requires, to missile components and technology—nor, indeed, that the restraint applies to more than complete 'ground-to-ground' missiles. Compliance in this area, which is not defined by treaty, is harder to nail down with standards that China can accept politically—and also entails more scope for ambiguities. The chemical area is defined by treaty, provides for declarations, and lists restricted items, but it covers a very large industrial domain.

In short, Mr. President, stemming proliferation by China—or by Russia, for that matter—is a complicated matter that cuts across our broader bilateral relationship.

To achieve the goals we all share of ending proliferation, sustained examination, discussion and debate by the Congress and the next Administration is essential. And negotiation and diplomatic interchange with the Chinese and the Russians must not be constrained by unilateral sanctions, as frustrating as those negotiations have been and will continue to be.

Proliferation is a matter of vital national interest. In voting against this amendment, I will vote against its flaws but not its intent. In fact, I applaud my friend from Tennessee for raising this issue, and I hope he will continue his work in this critical area next year, when we will have the time to examine the issue thoroughly, and I hope come to agreement on a measure that will gain the support of an overwhelming majority of this Chamber.

Only then can we send the Chinese and other proliferators the right message about the urgency with which we view stemming the proliferation of weapons of mass destruction and missile technology.

Mr. President, I ask unanimous consent that at 10 a.m. on Tuesday, September 12, the Senate proceed to a vote on amendment No. 4117, with time tomorrow morning before 10 o'clock equally divided in the usual form for closing remarks.

The PRESIDING OFFICER (Mr. BUNNING). Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I compliment my distinguished colleague from Tennessee for offering this amendment. I do support it. I think it is a significant step forward. As I listened to the Senator from Tennessee speak, I was persuaded, however, that the consequence or the conclusion of his eloquence was that the entire bill for permanent normal trade relations with China should be defeated.

I thought the Senator from Tennessee made a very strong case that it is necessary for the United States to be wary of where the People's Republic of China is heading. It is my hope—and I know it is the hope of the Senator from Tennessee—that we will have good relations with China and that we will have a peaceful world.

As the Senator from Tennessee enumerated the problems with nuclear proliferation and the potential difficulties from the People's Republic of China, it underscored in my own mind the grave concerns about making a concession at this stage to permanent normal trade relations with China instead of advancing that economic benefit to China on a year-by-year basis so that the United States would retain some leverage as to the conduct of China. It is important to have the kind of an annual report about which the Senator from Tennessee talks. I think it is a good idea to have it as to Russia and North Korea as well as to China.

The reality is, as documented substantially by the Senator from Tennessee, there are real potential problems on the horizon.

At the outset, I wish to make it clear that I support the concept of free trade. I believe history is on the side of free trade. I voted in favor of the North America Free Trade Agreement, in the face of considerable opposition from my constituency in Pennsylvania. Similarly, I voted for the African Growth and Opportunity/United States-Caribbean Basin Trade Enhancement Act. Although not without some qualms, I have supported most-favored-nation status for China. That was a hot concern on this floor and in the House of Representatives for some time because of China's violations of human rights. It was my judgment that we should have given China most-favored-nation status to try to build their country in the hope that it would move toward democracy and that it would move toward a greater recognition of human rights. In one fell swoop, to grant permanent normal trade relations with China seems to me to be a mistake.

I spoke on this subject at some length back on May 17 of this year. I know there are others who wish to speak. I will not repeat what I said at that time but would incorporate my comments at that time by reference.

On the issue of proliferation, there is very substantial evidence that the People's Republic of China is harming the

interests of world peace. When they sold the M–11 missiles to Pakistan, they put Pakistan in a position to move forward on a potential nuclear confrontation with India, putting that area of the world at risk. When the People's Republic of China has assisted North Korea's missile program in providing special accelerometers, again, there is a country, a rogue country where the People's Republic of China threatens the interests of world peace. And when they have provided assistance to Libya's long-range missile program by assisting in the building of a hypersonic wind tunnel, there again, they assist a rogue nation which really has the potential of threatening world peace.

There has been a very elaborate chart prepared by the distinguished Senator from North Carolina, Mr. HELMS, which is on every desk in the room. I know Senator HELMS came to the floor a few moments ago and will doubtless speak about it. It particularizes the problem we face on nuclear proliferation by the Chinese, which raises the question: Why give away our bargaining power? The People's Republic of China is vitally interested in normal trade relations with the United States. Why not grant it to them this year but reserve judgment next year as to what happens?

The record of the People's Republic of China on human rights is dreadful. The massacres at Tiananmen Square constitute only one issue in a long line of flagrant violations of human rights. These are detailed in a statement which is a part of the RECORD of my speech from May 17. I shall not detail them again, except to refer to the case of the Dickinson College librarian, Mr. Yongyi Song, a constituent of mine from Pennsylvania.

Mr. Song went to China in August of 1999 to study the Cultural Revolution. While in China, he was unceremoniously arrested without cause, without any justification, and kept in jail for months. When I found out about the case and consulted with Mr. Song's family and with Dickinson College, I sponsored a resolution, cosponsored by many of my colleagues, and I spoke on the floor of the Senate. I said if the People's Republic of China wanted to be accorded a seat with the nations of the world on matters such as trade, or on matters generally, they would have to have a decent legal system and they would have to not arrest people without any cause. Shortly thereafter, I sought a meeting with the Chinese Ambassador to the United States. The morning of our meeting, I heard a rumor that Yongyi Song was going to be released, and in late January, he was in fact released.

I had a very interesting discussion with the PRC Ambassador to the United States. He admonished me about meddling in internal PRC affairs. I had a few responses about the PRC record on human rights, especially as they related to the detention of my constituent for many months without any justification. Then I said that I personally was concerned about having good relations between the United States and the People's Republic of China, a nation of 1.2 billion people. The PRC Ambassador quickly corrected me, saying it is not 1.2 billion people, it is 1.250 billion people.

There is no doubt about the PRC's recognition of the PRC's power. They are emerging as the second major superpower in the world. That is fine so long as they comply with the norms of a civilized world. That requires nonproliferation, and that requires respect for human rights.

We have two other matters that have come to the fore recently—both issues where the Senator from Tennessee and I have been involved collaboratively. One is on the issue of the efforts by the People's Republic of China to influence U.S. elections, and the second is the effort of the People's Republic of China on espionage. China has portrayed a very aggressive posture, in my judgment. China has moved ahead with many people who have made contributions in the political arena in flat violation of U.S. law, and there are cases—now documented—of the aggressive efforts of the People's Republic of China on espionage.

The Judiciary subcommittee that I chair on the Department of Justice oversight has prepared a very lengthy report on Dr. Peter Hoong-Yee Lee. Dr. Peter Lee on October 7 and 8, 1997, confessed to the FBI that he had provided classified nuclear weapons design and testing information to scientists of the People's Republic of China on two occasions in 1985 and had given classified anti-submarine-warfare information to the Chinese in May of 1997.

Now it is true that espionage is not limited to the People's Republic of China. But when they recruit a scientist in the United States and acquire information about our classified nuclear weapons design and information on our anti-submarine-warfare procedures, that is a matter of considerable importance.

There is another major case which is very much in the forefront today and has been for some considerable period of time, and that is the case involving Dr. Wen Ho Lee, where this morning's media accounts disclose that later today, within a few hours, the Department of Justice has agreed to a plea negotiation for 1 count of a 59-count indictment concerning taking classified material and not maintaining the appropriate classification. This is a case that was under investigation by the Department of Justice Oversight Subcommittee, which I chair, and we had looked into it from October of last year until December 14 when the FBI asked that we cease our oversight inquiries because Dr. Wen Ho Lee was being indicted. We complied with that request so there would be no question at all about any interference in the prosecution of Dr. Wen Ho Lee. Now that the matter is finished, we will move ahead very promptly on that oversight investigation.

But the case against Dr. Wen Ho Lee is an extraordinary one which raised very serious questions about whether Dr. Wen Ho Lee provided the People's Republic of China highly classified information.

The investigation as to Dr. Lee proceeded from 1982, was accelerated in 1993 and 1994, 1995, 1996, and 1997. Then there was a request by the FBI, which was a personal request from FBI Director Louis Freeh, transmitted by Assistant Director John Lewis, who went personally to Attorney General Reno. Attorney General Reno assigned the matter to a man named Daniel Seikaly who had never had any experience with an application for a warrant under the Foreign Intelligence Surveillance Act. In a context that was reasonably clear that the warrant should have been granted, Attorney General Reno rejected that application.

Then, inexplicably, from August of 1998 until December of 1999, the FBI did not act to further investigate Dr. Wen Ho Lee. Then, when the Cox Commission was about to publish a report in January of 1999, suddenly the Department of Justice and the FBI sprang into action, but did not take any steps to terminate Dr. Lee until March, and no steps to get a search warrant until April.

Now there is no doubt that Dr. Wen Ho Lee is entitled to the presumption of innocence as to passing any matters to the People's Republic of China, which was the essence of the FBI investigation. Equally, there is no doubt that the Department of Justice has been convicted of extraordinary incompetence in the way this case has been handled, and the questions as to whether the People's Republic of China gathered key information remain unanswered and perhaps will be illuminated by oversight by our Judiciary Subcommittee. But it is hard to understand how the Department of Justice could maintain last week that Dr. Wen Ho Lee had information at his disposal that would ''change the global strategic balance'' or could ''result in the military defeat of America's conventional forces,'' posing the ''gravest possible security risk to the supreme national interests'' of the United States.

So when the matter is concluded—as we have every reason to suspect it will be—with the plea bargain, the Department of Justice is going to have a great many questions to answer in terms of why they permitted Dr. Wen Ho Lee to have access to classified information for such a protracted period of time when they had very substantial probable cause, as shown in the application for the warrant under the Foreign Intelligence Surveillance Act, that there were connections with the People's Republic of China, which might have access to very important nuclear secrets.

I mention that case because here is another illustration like the Dr. Peter

Lee case where there were questions in the Dr. Peter Lee case, and he confessed and was convicted of passing secrets to the People's Republic of China. But in the long investigation on Dr. Wen Ho Lee, the Department of Justice is going to have some very important questions to answer about why Dr. Wen Ho Lee was enabled to have access to this classified information for such a long period of time, and why they kept him in detention with arguments which they have made. They argued even that on his release he should not have contact with his wife on their assertion that she might pass this highly classified information on, and fought it even to the Court of Appeals. Now, suddenly, in a day of reversal of position, which by the accounts will result in Dr. Wen Ho Lee's release later today, is really very extraordinary.

The incompetence of the Department of Justice is obvious. The Department of Justice owes an explanation perhaps to Dr. Wen Ho Lee and to the people of the United States for their bungling of that case. But the point of the matter is, and it is sufficient really for Dr. Peter Lee's case, that you have an aggressive People's Republic of China which is after U.S. military secrets.

Then there is the issue of the efforts by the People's Republic of China to influence our elections. That, too, has been documented in great length. I shall not speak about it at any length this afternoon except to comment about the conviction of Maria Hsia linking the People's Republic of China and the plea bargain with John Huang, Charlie Trie, Johnny Chung, and many, many others where there is documentation that the People's Republic of China had transferred funds to people in the United States to make campaign contributions, which were flatly illegal under U.S. laws, in the interests of the People's Republic of China in influencing our elections.

While it is not unusual for one country to engage in espionage against another country, I believe it is quite unusual for a country to seek to influence U.S. elections. Those are matters which weigh in the balance.

In essence, what we have before us at the moment is the amendment of the distinguished Senator from Tennessee who seeks to have a report from the President on the question of nuclear proliferation involving the People's Republic of China, and with all due respect, it is subject to being avoided by waivers which the President can exercise. But at least it is a step in the right direction.

But when we take a hard look at what China has been doing in international affairs with Taiwan, with their threats and blackmail, having missile tests off the coast of Taiwan, what they have done with human rights, what they have done with proliferation, and what they have done in so many of the activities, there is very strong reason to conclude that the United States should not grant permanent normal trade relations to the People's Republic of China.

Let's trade with them on a year-by-year basis. It is an insufficient answer to say that if we don't trade with the People's Republic of China, other nations will. The United States ought to assert U.S. leadership in trying to lead our allies not to trade with China to the benefit of China, if China is to maintain its current course of proliferation, of violating human rights, of espionage activities, and trying to influence the internal elections of a country such as the United States.

At a minimum, in conclusion—the two most popular words of any speech—I urge my colleagues to support the amendment of the Senator from Tennessee. I urge my colleagues to accept the strong persuasion of the Senator from Tennessee to vote no on the entire bill.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I understand that the distinguished Senator from North Carolina earlier indicated that he wished to speak at about 2:30. I ask unanimous consent that after the Senator from North Carolina finishes, I be recognized to make a statement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SARBANES. I thank the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me. I ask unanimous consent that it be in order for me to deliver my remarks at my desk from my seat.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, for the past two months there has been a deluge of claims regarding the Thompson-Torricelli amendment. While Mr. THOMPSON, the able Senator from Tennessee, has leaned over backward to accommodate all concerns raised in good faith, there is clearly no satisfying that particular crowd of ''beltway lobbyists'' who will stop at nothing to secure corporate profits. It is just as simple as that.

Virtually every argument the pro-Communist China industrial lobby makes regarding this amendment misses one crucial point: Chinese proliferation of weapons of mass annihilation poses a grave threat to U.S. national security.

If there cannot be agreement on this basic premise, then there is no common ground to be found on the Thompson-Torricelli amendment.

But I, for one, find China's trade in those commodities abhorrent and intolerable.

It is especially unconscionable for China to continue supplying the Islamic radicals in Iran with chemical weapons precursors and missile technology. Lest we forget, Iran's interests are antithetical to the United States. For the past twenty years the fanatics in Teheran have poured money, weaponry, and technology into terrorist groups worldwide. The mullahs have orchestrated dozens of bombings and the cold-blooded murder of hundreds of U.S. servicemen and citizens, including the bombing of Khobar Towers, in Saudi Arabia—killing 19 U.S. troops and wounding 240 others—and the Hizbollah bombing of the U.S. Marine barracks in Lebanon, which killed 241 Americans.

So all this clap trap about reformists in Iran is hogwash—pure and simple. As the saying once went: ''Read my lips''—read mine—Iran is ruled by an Islamic fundamentalist regime that calls the United States the ''Great Satan'' and continues to spew anti-Semitic, anti-Israeli venom between each and every flight test of its new ''Shahab'' medium-range missiles, supplied, by the way, by Russia and China.

Iran is the last country on Earth that the United States should want to possess deadly chemical nerve agents, nuclear weapons, or medium-range ballistic missiles.

Why on Earth would the United States not do everything possible to stop China's supply of nerve agent precursors and specialized glass-lined production equipment to Iran?

Why on Earth would the Senate look the other way as China continues to build a research reactor and other nuclear facilities in Iran, and to supply missile testing equipment, guiding systems, technology, and specialized material to Iran's missile program? Why, Mr. President, why? Surely Iran is the last country on Earth that the United States would ever want to gain possession of advanced cruise missiles capable of sinking warships from the United States of America.

According to the Secretary of State, Madeleine Albright, China's C–802 missile is ''roughly the equivalent of the French EXOCET missile that Iraq used in 1987 to attack the frigate U.S.S. *Stark* in the Gulf, killing 37 Americans.''

Why, Mr. President, would the United States not do everything in its power, including the imposition of sanctions, to prevent China from supplying hundreds of these missiles to the Iranian military?

Iran is by no means the only dangerous country to which Communist China continues to ship deadly weaponry. There is that little regime in Libya which today is on trial in The Hague for the cowardly terrorist bombing of a plane over Lockerbie, Scotland. Do you remember that, Mr. President? That cruel, beastly attack killed 270 people; 189 of whom were Americans.

Libya is getting from the Chinese all sorts of missile testing equipment and training. Just bear in mind, for example, this is a regime that once drew a ''line of death'' across the Gulf of Sidra

and launched war planes to attack the U.S. Navy. Under no circumstances would the United States want Libya to possess a ballistic missile capable of dropping chemical or biological weapons on the U.S. troops stationed in Italy. But that is precisely the capability that the PRC—the People's Republic of China—is supplying to Libya to date.

Then there is North Korea. We must not leave out North Korea, that Communist dictatorship that engaged in a massive surprise attack against the United States and South Korea in 1950 which ultimately killed more than 35,000 Americans. North Korea is acting today as if it is going to make amends, and we will see about that. I think it is about time. The point remains that North Korea still maintains a million-man army with thousands of tanks and artillery pieces deployed within a few miles of Seoul. North Korea is a country which recently launched that ballistic missile over Japan—do you remember that?—a missile capable of reaching the United States of America with a small chemical or biological warhead.

North Korean boats periodically engage in shooting matches with South Korean ships. North Korea has deployed assassination squads on minisubmarines to infiltrate its neighbors to the south, and they continue to harbor vicious terrorists wanted in Japan for a variety of murders, and they are working overtime on the development of nuclear, chemical, and biological weapons. This is not a country that the United States wants to possess long-range ICBMs—but Communists insist on supplying Pyongyang with missile technology and specialized steel.

I haven't even touched on the subject of Chinese missile and nuclear assistance to Pakistan or its supply relationship with the dictatorship in Syria or the help it was giving to Saddam Hussein's horrible programs.

The world today is a very dangerous place, populated with tyrants and despots hostile to the United States. These are countries which have killed Americans by the hundreds. At every turn in the road we discover that Communist China is supplying all of these countries with technology which ultimately can be used in the future to kill Americans again.

No matter how many times the United States raises the matter of China's military exports, the Communist leadership in Beijing refuses to cease and desist. They change the subject. Indeed, the history of U.S.-Chinese relations on nonproliferation matters is one littered with broken promises. It is a tale of deceit and trickery by Communist China.

I call attention to this chart, which the distinguished Senator from Pennsylvania referred to earlier, which shows China has made at least 14 major nonproliferation commitments since 1984, 7 relating to the proliferation of nuclear technology. The People's Republic of China has made five—count them, five—separate pledges regarding the transfer of missile technology and two pledges on chemical and biological transfers. During the past 20 years, the PRC has violated every one of those promises.

Immediately following Communist China's 1984 pledge not to help other countries develop nuclear weapons, what do you think happened? Yes, that is right, China signs a little ''secret'' protocol with Iran to supply nuclear materials. Beginning in the early 1980s, China helped Pakistan get the bomb, sharing weapons design information. In 1996, China was caught having to shift a large number of specialized ring magnets for weapons-grade enrichment of uranium to Pakistan.

In 1998, at the very time China was telling Congress that China had quit assisting Pakistan—in order to secure congressional support for commercial nuclear cooperation—the Clinton administration knew for a fact about ongoing PRC contacts with Pakistan's nuclear weapons program. It is abundantly clear, 2 years later, that China has never adhered even once to its nuclear nonproliferation pledges. In fact, according to the latest unclassified intelligence assessment of a month ago:

> Chinese entities have provided extensive support in the past to Pakistan's nuclear programs. In May 1996, Beijing promised to stop assistance to unsafeguarded nuclear facilities, but we cannot preclude ongoing contacts.

That is a nice way of saying it is still going on. It is the same old song: second verse same as the first, in the case of missile transfers. Again, China has repeatedly broken its pledges.

A claim in 1989 that it had no ''plans'' to sell medium-range missiles to the Middle East was almost immediately contravened by several transactions. A subsequent pledge, in early 1991, to refrain from medium-range sales to the Middle East—also rubbish.

So we come to 1992, when China made yet another promise—written down this time—that it would not transfer any category I or category II missile items to Syria, Pakistan, or Iran. A lot of good people just said, OK, that is great; peace, peace, peace is right around the corner. The Chinese pledge specifically covered M–9 and M–11 missiles, and extended to existing contracts.

But this, of course, did not stop China from selling M–1 or M–11 missiles to Pakistan or from selling missile technology to Iran and Syria—no siree. So what happened? The Clinton administration extracted a further pledge, don't you know, in 1994—from whom? That's right, China—that it really did intend to abide by the MTCR. China said: Oh, yes, yes, sir; we are going to abide by it.

But that Chinese commitment to observe the MTCR guidelines—which, by the way, explicitly, clearly prohibit the transfer of missile production equipment—was observed no better than the earlier pledges. Not only did M–11 sales continue but Communist China was discovered supplying a production facility for such missiles to Pakistan. According to various press accounts, China recently completed work on this facility for Pakistan.

Oh, boy, you can trust these Chinese, can't you? ''I think we ought to sign this thing and go ahead and trust them and be done with it.'' If you believe that, you will believe anything because there are a lot of facts regarding the current exports of China's military that I have uncovered.

The point is, and I say this reluctantly because these are my friends, too—or they have been—as much as various business lobbyists may wish to portray the Communist leadership in Beijing as being trustworthy and responsible, the truth is that the Chinese regime is neither trustworthy nor responsible. It has never been responsible. It has given terrorist regimes deadly chemical capabilities and nuclear technology to vaporize entire cities and missiles capable of raining terror on innocent people from above. Nor has Beijing proven trustworthy. They have broken pledge after pledge and pledge.

I have to say this for the Clinton-Gore administration. It was not the first to allow itself to be duped by the PRC in order to pursue this commercial objective. But the current administration has coupled its willingness to subordinate nonproliferation concerns to trade with an alarming disregard for the law, in my judgment.

I deeply regret the appalling legal hijinks of the administration in trying to avoid sanctioning Communist China for its military trade. Maybe somebody else will remember, as I do, that New York Times quote that President Clinton was declared to have made, that U.S. sanctions laws put—as the President put it:

> . . . enormous pressure on whoever is in the Executive Branch to fudge an evaluation of the facts of what is really going on.

The fact that the President would say such a thing, I have to admit, doesn't come as too much of a surprise. The Senate Foreign Relations Committee—of which I happen to be chairman—has in particular been on the receiving end of this sort of business of ''fudging the facts'' for the past 8 years. Time and time again it has happened. I am sick of it. While no administration has ever voluntarily imposed sanctions that it believed would be counterproductive, the Clinton-Gore administration's callous disregard of U.S. law is bouncing around at a new low.

Because the administration has no stomach for nonproliferation sanctions, and because the Chinese obviously know it, the United States nonproliferation dialog with China has become nothing more than an opportunity for Beijing to uncover how the U.S. intelligence community knows things about China's weapons trade. At

this point, I think it must be patently obvious to Communist China that this administration does not have—what? The right stuff, I guess is the right way to put it—the right stuff to impose missile sanctions and make them stick.

The exponential growth in China's deadly exports, clearly shown on this chart, is occurring in the face of weakening U.S. resolve.

In the name of my children and grandchildren, your children and grandchildren, Mr. President and all other Senators, that is such a dangerous, dangerous combination.

As I see it, the obvious benefit of the Thompson-Torricelli amendment now pending is twofold. First and foremost, the amendment underscores the Senate's concern about Red China's ongoing trade in the deadliest types of weapons technology with terrorist nations. Under no circumstance should the Senate let this moment pass without deploring—without deploring it loudly—China's behavior and raising the stakes for China's continued assistance to the likes of North Korea and Iran and Libya. It is impossible to overstate how critical this is at a time when the commercial interests of the United States clearly predominate over national security concerns, and that is exactly what is happening.

Second, it also raises the ante on an executive branch which has come to think of mandatory sanctions as optional things. You don't have to do them. I recognize that it is clearly impossible to compel this administration to adhere to the supreme law of the land. But surely the Senate can make flagrant disregard for the law a little more uncomfortable for some in the administration by requiring expanded reporting on China's proliferation behavior based on a reasonable evidentiary standard.

Mr. President, for all of these reasons I strongly support the Thompson-Torricelli amendment. I not only hope, I pray that other Senators will join in sending a strong message to Beijing that its dangerous exports must stop forthwith.

I yield the floor.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Maryland.

Mr. SARBANES. Madam President, I rise in opposition to H.R. 4444, which would provide for the extension of Permanent Normal Trade Relations, PNTR, to the People's Republic of China.

The proponents of this measure would have us believe that the decision to support PNTR is completely one-sided, with all the benefits going to the United States and none to the Chinese. If that analysis were correct, one would have to believe that the Chinese are either naive or simply being charitable to the United States. I don't think either of those propositions is true.

In my view, it would not only be counter to the trade interests of the United States to grant PNTR to China, but it would undermine other important bilateral U.S. interests with that country, including national security, foreign policy, human rights, religious freedom, labor rights, and environmental protection. We should be seeking permanent normal relations with China which would link all of our diverse interests with China into an integrated policy, but I do not support Permanent Normal Trade Relations with China in the absence of achieving permanent normal relations. In other words, we should not separate out the trade relationship alone without addressing these other important matters that are at issue between us.

Let me address then why I do not think it is in the U.S. national interest to grant Permanent Normal Trade Relations to China at this time.

The decision to grant PNTR to China is linked to China becoming a member of the WTO, the World Trade Organization. Under the rules of the WTO, member countries are obliged to grant unqualified most-favored-nation treatment to each other. In the view of the supporters of PNTR, the United States must grant Permanent Normal Trade Relations to China so the United States will be able to utilize the dispute resolution mechanism of the WTO to enforce compliance by China with trade agreements. In fact, the WTO agreement has been characterized as being completely one-sided in favor of the United States. A summary of the arguments in favor of the agreement prepared by the Administration stated:

> This is not a trade agreement in the traditional sense. This is a one-way deal. We would simply maintain the market access policies that we already apply to China.

I believe this assertion overlooks some very important considerations. Until now, the United States has been free to link trade to any of our other concerns with China—national security, foreign policy, human rights, religious freedom, labor rights, environmental protection. With the exception of national security, granting PNTR to China would effectively end the ability of the United States to link trade with any of our other concerns with China because it would violate WTO rules. Even national security, for which the WTO has an exemption, would be subject to challenge and review within the WTO. Further, within the trade area itself, the United States would not be able to use U.S. trade laws to enforce compliance by China with its trade commitments.

If one stops and thinks about this for a moment, it seems clear that China is achieving a fundamental strategic objective which, from its point of view, is enormously in its self-interest. The proponents of granting PNTR to China want the decision to be viewed through the narrow prism of trade relations because on that basis they believe the agreement is defensible. Even on those terms, I believe extending PNTR to China is an unwise decision, but it completely ignores the broader and more fundamental interests the United States is abandoning by granting PNTR to China.

I will review the U.S. trade relationship with China and why, even from the narrow perspective of trade, granting PNTR to China is not in the U.S. national interest. I will then review the broader interests the United States has at stake in this decision, some of which are underscored by the amendment that is now pending.

Let me turn first to the bilateral trade relationship. Our bilateral trade relationship with China is our most one-sided significant bilateral trade relationship. We have been running a steadily increasing trade deficit with China for nearly two decades. In 1985, we had a trade deficit of $9 million. Since then, it has set a new record every year, rising from $1.6 billion in 1986 to $10.4 billion in 1990, to $29.4 billion in 1994, and $56.8 billion in 1998. In 1999, the Commerce Department reported that the U.S. trade deficit with China reached a record $69 billion. This chart shows very clearly this incredible deterioration in the trade relationship as it takes a downward plunge in terms of our trade balance.

The trade balance has continued to deteriorate in 2000. The Commerce Department reports that the U.S. trade deficit with China for the first 6 months of this year is over 23 percent higher than over the first 6 months of last year. In fact, it is very close to becoming the largest single bilateral trade deficit of the United States. At the moment, it is surpassed only by Japan.

This chart traces back to 1975. These are U.S. exports to China which have risen a bit, but not very much, and these are U.S. imports from China which, of course, are ascending at a very steep pace, and the difference gives us, of course, the trade balance which was shown in the previous chart. On this very small amount of trade, $95 billion—there is $13 billion in exports from the United States to China and $82 billion in imports from China—we now are on our way, I think, to where we will shortly have our largest trade deficit with China.

It is important to appreciate this point because it underscores how important our trade relationship is with China and, in my judgment, therefore, underscores the necessity of not putting this trade relationship to one side, which would prevent us from trying to solve the other problems in our relationship.

What is not fully appreciated, however, is that relative to the size of the overall volume of trade with China, the U.S. trade relationship with China is far more one-sided than with any other country in the world. For example, in 1999 we had a trade deficit with Japan of $74 billion. That was based on a total volume of trade with Japan of $189 billion. In contrast, the $69 billion U.S. trade deficit with China was based on a

total volume of trade of $95 billion. With Japan, we have twice as much trade and almost the same deficit, a little more than we have with China. With China, the trade relationship is virtually a one-way street, and we need to understand and appreciate that.

This pattern is repeated to an even greater extreme with other large U.S. trading partners—Canada, the European Union, and Mexico. This chart shows U.S. exports as a percent of bilateral trade with China, with Japan, with Canada, with the E.U., and with Mexico. As one can see, even with Japan, exports make 30 percent of the total volume of trade—a little above 30 percent. With Canada and Europe and Mexico, it is in the mid-40 percent. With China, it is at 14 percent. The trade relationship with China is virtually a one-way street. It is Chinese exports coming to this country; it is not American exports going to China.

Even if one compares it with the Asian countries, we find the same situation. U.S. exports to China as a percent of bilateral trade is, again, at about 14 percent. As you can see with Taiwan, Korea, and Singapore, it ranges anywhere from under 40 percent to almost 50 percent.

One may say: Well, maybe China has this kind of trade relationship with everybody. So let's briefly examine its trade relationship with Japan and the European Union as compared with the United States.

China's total trade volume in 1999 with the United States, $95 billion; with the European Union, $73 billion; with Japan, $69 billion. Yet the surpluses that China ran with us were by far the largest relative to the overall amount of trade with these countries. So you can see that once again the trade relationship with the United States is extremely one sided.

(Mr. THOMPSON assumed the chair.)

Some argue that most exports from China to the United States are not made in the United States and, therefore, do not compete with U.S. products. Some advance that argument. As a result, it is argued that some increase in Chinese exports to the United States comes at the expense of exporters in third countries, such as Mexico, South Korea, and Taiwan, and not at the expense of U.S. manufacturers.

It is worth noting that although these other countries run trade surpluses with the U.S., the U.S. balance of trade with these countries is not nearly as one sided as with China. In fact, I think it is reasonable to suppose that if we were taking goods from these other countries instead of China, those countries would be more willing to take our goods because that is the nature of the relationship that we have with Mexico, or South Korea, or Taiwan. It is much closer towards balance, although not in full balance. But with China, it is a terribly one-sided relationship.

Furthermore, the Congressional Research Service, in its analysis, has said the nature of Chinese exports into the United States is shifting and moving towards high-technology sectors—office and data processing machines, electrical machinery and appliances, and telecommunications and sound equipment. So the character of imports from China is shifting to increasingly sophisticated categories of products which compete very directly with goods made in the United States.

Proponents of Permanent Normal Trade Relations with China assert that the WTO agreement with China will open China's market to U.S. exports and, thereby, reduce the one-sided nature of the U.S. trade relationship. Well now, this is a plausible-sounding argument. They say this will create an opening in the relationship and, therefore, these balances that you are pointing to will begin to change and there will be an improvement.

The U.S. International Trade Commission was asked to conduct a study on the economic effects on the United States with China's accession to the WTO; in other words, to project out what the consequences would be.

The ITC study assessed the impact the tariff cuts provided in the China WTO agreement would have on the U.S. balance of trade with China. They concluded that there would be an increase in the U.S. trade deficit with China. Let me repeat that. The ITC study, which was conducted at the request of the U.S. Trade Representative, found that the China WTO agreement would actually increase the U.S. bilateral trade deficit with China.

So it is obviously important to understand that while these extraordinary claims have been made for the supposed benefits of the China WTO agreement for the United States, the reality is that it would not address the extraordinarily unbalanced trade relationship of the U.S. with China.

A closer examination of the specifics of the China WTO accession agreement with the United States may help explain these results of the ITC study. Under the China WTO agreement, average tariff rates will fall from 16.9 percent to 10.2 percent—a drop of 6.7 percentage points. However, average applied tariff rates already fell from 42.8 percent in 1992 to the 16.9 percent in 1998 under the previous trade agreements that we have negotiated.

During that period when these tariffs came down, the U.S. trade deficit with China increased from $20 billion to $61 billion. Of course, that simply underscores a very common sense point, if you stop and think about it. One must recognize that, while tariffs may be cut, the remaining tariffs may still be sufficiently high to block out imports. In other words, we are constantly being told these tariffs are coming down. Even assuming that is the case, as long as they remain at a sufficient level to block out imports, they, in effect, are accomplishing their results.

For example, under this agreement, tariffs on automobiles are scheduled to fall from 100 percent to 25 percent. This is obviously a substantial reduction, but it still leaves in place a 25-percent tariff—a very significant tariff that may be highly effective as a deterrent to auto imports.

Under the agreement, nontariff barriers, such as quotas, licensing, and tendering procedures, will be liberalized for some 360 product categories; however, the product categories for which this is taking place account for only 8.5 percent of our exports to China. Their total value in 1998 was only $1.2 billion.

Furthermore, China is still in the process of negotiating its multilateral accession protocol with the 44-member WTO working party. According to a GAO report on the status of the negotiations, differences remain between China and the working party in three areas: China's trade-distorting industrial policies, including subsidies and price controls; foreign currency reserve-related restraints on trade, including foreign exchange controls; and a miscellaneous category of other issues, including Government procurement, civil aircraft, and taxes.

In fact, currency manipulation, subsidies, and licensing by China have been significant factors in its trade relationship with the United States and have, of course, an impact on this trade deficit.

There is a final point I want to make with regard to the U.S. trade relationship with China before I turn to the broader considerations and the impact of PNTR.

Observers have pointed out that China is much more open to foreign investment than other Asian countries were—Japan and Korea, for example—and that this may set the basis for an improvement in the trade relationship. In fact, China has actively sought foreign direct investment as sources of Western capital and technology. It is a key item in their development strategy.

But China's receptiveness to foreign investment does not necessarily mean an openness to imports.

In fact, trade barriers in sectors such as automobiles have been part of China's strategy to encourage foreign investment. Since the Chinese market could not be accessed easily through exports because of the various restrictions, Western automakers who want a portion of the Chinese market were being forced to invest in China. Once inside the market, many Western companies took a different view of Chinese trade barriers because they now also are protected from competition from outside China.

The unstated premise of those supporting PNTR on this issue is that openness to foreign investment will eventually lead to openness to foreign trade. However, it is not at all clear that changes undertaken to encourage foreign investment will inevitably lead to lower trade barriers and more imports. In fact, the Chinese insistence

upon domestic production and transfer of technology suggests that the opposite may be the case.

An article in the Wall Street Journal of May 25, the day after the House voted on PNTR, focused on the investment aspects of the China WTO agreement and stated:

> Even before the first vote was cast yesterday in Congress's decision to permanently normalize U.S. trade with China, Corporate America was making plans to revolutionize the way it does business on the mainland. And while the debate in Washington focused mainly on the probable lift for U.S. exports to China, many U.S. multinationals have something different in mind. ''This deal is about investment, not exports,'' says Joseph Quinlan, an economist with Morgan Stanley Dean Witter & Co. U.S. foreign investment is about to overtake U.S. exports as the primary means by which U.S. companies deliver goods to China.''

If we look at the increase in investment over the recent decade, it is highly instructive. It has risen at an incredibly steep rate. U.S. investment in China has gone from just over $300 million in 1991 to $4.5 billion in 1999. Whereas the United States ranked behind Japan, behind Europe, behind Taiwan as a source of exports to China, it ranked ahead of all of them as a source of foreign direct investment. Rather than expanding exports and reducing the U.S. trade deficit with China, the extension of Permanent Normal Trade Relations and WTO membership for China may simply be a way for China to secure expanded foreign direct investment from the United States. This may serve China's development strategy and please U.S. companies seeking to invest in China. However, it is not clear that it will be the great benefit to U.S. exports and jobs that those who support PNTR claim.

Indeed, in my view, a principal motivation for China's support for PNTR and WTO membership is to separate its trade and investment relationship with the United States from its other relationships with the United States and to separate it from the enforcement of U.S. trade laws, thereby securing an unimpeded flow of investment from the United States. Once they can lock this into place, they can put trade and investment off the radar screen, as we look at other outstanding issues between our two countries.

A major argument made by proponents of PNTR for China is that if the United States does not grant it, the United States will not be able to utilize the WTO dispute resolution mechanism to enforce compliance by China with trade agreements.

What they fail to mention is that if the United States grants PNTR to China, we will no longer be able to utilize directly U.S. trade laws, such as 301 of the Trade Act of 1974, and other provisions in our law to enforce compliance by China with trade agreements. The question is, then, what may better serve U.S. national interests, enforcement through the WTO dispute resolution mechanism or enforcement through U.S. trade laws? In my view, on balance, at this time the United States will be better off relying on U.S. trade laws.

Let me give a few reasons. It is often noted that China has a weak rule of law, even assuming the central government wants to comply with the trade agreement, which in itself may be a very large assumption. This means there is no reliable domestic mechanism to keep various ministries, state-owned businesses, and provincial governments from ignoring the legal requirements of trade agreements.

The WTO is a rules-based institution, and it is poorly equipped to enforce its rules in China. Given the lack of a clear paper trail, in many cases it could be impossible even to establish the existence of the trade barriers at issue, much less win a dispute settlement panel ruling.

The reality is that enforcement of compliance by China with trade agreements would be a problem whether or not PNTR applies. Although the U.S. experience with bilateral trade agreements with China has been frustrating, at least the utilization of U.S. trade laws to enforce them remains under the control of the United States. Aggressive and persistent use of bilateral trade pressure has resulted at least in some compliance by the Chinese with these agreements. It is not at all clear that the highly legalistic WTO dispute resolution mechanism, under which adjudication of trade disputes would be given over to an international body, will produce better results. The difficulties in U.S. experience when it attempted to bring a WTO case against Japan over photographic film suggests the limitations of the WTO in addressing problems when the nature of the underlying government practice is uncertain. It is not difficult to imagine similar disputes with China in which the existence of the questionable policy is in dispute.

In the remaining portion of my remarks, I will return to the point I raised at the beginning; that is, that in my view it is critical for the United States to pursue a policy toward China which integrates its trade and economic policy concerns with the range of other concerns, including national security, foreign policy, human rights, religious freedom, labor rights, and environmental protection.

In other words, our objective should be to try to get permanent normal relations across the board in an integrated fashion and not to hand off, right in the beginning, the trade relation dimension which is obviously of such importance to the PRC given the one-sided character of our trade relationship.

This is an enormously important economic benefit to China and, surely, in the course of considering the trade relationship, we should be seeking to use it as leverage to obtain an improvement in the relationships in the other areas that I want to discuss.

Of all of its relationships with the United States, China derives by far the most benefit from its trade relationship, which is heavily skewed in its favor. Approval by the Congress of PNTR would make it difficult, if not impossible, to use the leverage of this heavily skewed trade relationship to influence our relationships in other critical areas. It is my view, as I have asserted, that we need to use it to improve the trade relationship itself. But over and above that, we need to look at influencing other critical areas.

This, of course, is a critical strategic objective of China, which is why it is so eager for approval of PNTR. The China WTO agreement makes no provision for addressing labor rights, human rights, and environmental protection. We know—I think with reasonable assurance—that if China joins the WTO, it will be a vigorous opponent of U.S. efforts to have labor rights, human rights, and environmental protection become a part of the WTO agreements.

People say: Let's move ahead on WTO, and then we will include these things in the WTO agreements. I can, with almost complete assurance, say to you that if this moves forward, China will be one of those within the WTO opposing such inclusion.

Let me review some of these other important policy concerns for China to underscore the importance of pursuing an integrated policy approach.

First of all, human rights, labor rights and religious freedom. The State Department's 1999 Country Reports on Human Rights Practices summarizes in a single page the depth of the problems posed by China, and I would like to read that into the RECORD. This is our own State Department's human rights report about China. It is the last published report:

> The government's poor human rights record deteriorated markedly throughout the year, as the government intensified efforts to suppress dissent, particularly organized dissent. A crackdown against a fledgling opposition party, which began in the fall of 1998, broadened and intensified during the year. By year's end, almost all of the key leaders of the China Democracy Party (CDP) were serving long prison terms or were in custody without formal charges, and only a handful of dissidents nationwide dared to remain active publically.
>
> Tens of thousands of members of the Falun Gong spiritual movement were detained after the movement was banned in July; several leaders of the movement were sentenced to long prison terms in late December and hundreds of others were sentenced administratively to reeducation through labor in the fall. Late in the year, according to some reports, the government started confining some Falun Gong adherents to psychiatric hospitals.
>
> The government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms. These abuses stemmed from the authorities' extremely limited tolerance of public dissent aimed at the government, fear of unrest, and the limited scope of inadequate implementation of laws protecting basic freedoms. The Constitution and laws provide for fundamental human rights; however, these protections often are ignored in

practice. Abuses included instances of extrajudicial killings, torture and mistreatment of prisoners, forced confessions, arbitrary arrest and detention, lengthy incommunicado detention, and denial of due process. Prison conditions at most facilities remained harsh. In many cases, particularly in sensitive political cases, the judicial system denies criminal defendants basic legal safeguards and due process because authorities attach higher priority to maintaining public order and suppressing political opposition than to enforcing legal norms.

The government infringed on citizens' privacy rights. The government tightened restriction on freedom of speech and of the press, and increased controls on the Internet; self-censorship by journalists also increased. The government severely restricted freedom of assembly, and continued to restrict freedom of association. The government continued to restrict freedom of religion, and intensified controls of some unregistered churches. The government continued to restrict freedom of movement. The government does not permit independent domestic non-governmental organizations (NGOs) to monitor publicly human rights conditions.

Violence against women, including coercive family planning practices—which sometimes include forced abortion and forced sterilization; prostitution; discrimination against women; trafficking in women and children; abuse of children; and discrimination against the disabled and minorities are all problems. The government continued to restrict tightly worker rights, and forced labor in prison facilities remains a serious problem. Child labor persists. Particularly serious human rights abuses persisted in some minority areas, especially in Tibet and Xinjiang, where restrictions on religion and other fundamental freedoms intensified.

That is the U.S. State Department talking in its 1999 human rights report. Listen to what the United States Commission on International Religious Freedom, a commission established by this Congress just a couple of years ago, said with respect to the People's Republic of China. It said the following:

The government of China and the Communist Party of China (CPC) discriminate, harass, incarcerate, and torture people on the basis of their religion and beliefs. Chinese law criminalizes collective religious activity by members of religious groups that are not registered with the state. It registers only those groups that submit to membership in one of the government-controlled associations affiliated with the five officially recognized religions. Members of registered religious groups can only engage in a limited range of what the state deems ''normal'' religious activities.

The religious and belief communities that resist registration or that have been denied permission to register, including Catholics loyal to the Pope and Protestants who worship in ''house churches,'' have no legal standing in China. Adherents are often harassed, detained and fined. Meetings are broken up, unauthorized buildings are destroyed, and leaders are arrested and frequently imprisoned.

Over the past several years, Chinese officials have been employing increasingly strict laws and regulations as instruments to harass religious groups and maintain control over religious activities. Officials responsible for enforcing the strict laws continue to be guided by CPC policy directives on religion. Furthermore, the Chinese legal system does not protect human rights from state interference, nor does it provide effective remedies for those who claim that their rights have been violated.

The Commission then went on to say this. Listen carefully to this recommendation. This is the recommendation the Commission which the Congress established on international religious freedom made with respect to extending PNTR to China, which is the issue before this body:

Given the sharp deterioration in freedom of religion in China during the last year, the Commission believes that an unconditional grant of PNTR at this moment may be taken as a signal of American indifference to religious freedom. The government of China attaches great symbolic importance to steps such as the grant of PNTR, and presents them to the Chinese people as proof of international acceptance and approval. A grant of PNTR at this juncture could be seen by Chinese people struggling for religious freedom as an abandonment of their cause at a moment of great difficulty. The Commission therefore believes that Congress should not approve PNTR for China until China makes substantial improvements in respect for religious freedom.

Turning briefly to the environment, I simply want to observe that a coalition of environmental groups, including the Sierra Club and Friends of the Earth, have argued strongly that the U.S.-China WTO agreement ignores critical environmental concerns regarding China and that PNTR should not be granted to China. They outline the incredibly severe pollution situation which now exists in China. Five of the world's 10 most polluted cities are in China. An estimated 2 million people die each year in China from air and water pollution.

Let me turn for a moment to the national security and foreign policy field. The United States has, of course, fundamental national security and foreign policy concerns with regard to China which remain unresolved.

It is, of course, well known that China has undertaken a very substantial buildup of its military over the past decade designed to undergird China's ability to confront Taiwan. In fact, we have seen instances of such confrontation. This includes, among other things, a missile buildup across the Taiwan Strait that has greatly increased tensions between China and Taiwan. This military buildup also raises significant foreign policy and national security concerns for the United States in regard to Japan, South Korea, India, and indeed the rest of Asia.

China has been the subject of longstanding concern about transfers of technology that contribute to the proliferation of weapons of mass destruction or of missiles that could deliver them. Of course, this is the subject area that is the direct focus of the amendment pending before this body.

The Director of Central Intelligence, the DCI, submitted a report to Congress in June of 1997 stating that during July–December 1996 ''China was the most significant supplier of weapons of mass destruction technology to foreign countries.'' The DCI's latest report, which was delivered in August 2000, named China, Russia, and North Korea as key suppliers of such technology.

In July of 1998, the Commission to Assess the Ballistic Missile Threat to the United States concluded:

China poses a threat as a significant proliferator of ballistic missiles, weapons of mass destruction, and enabling technology. It has carried out extensive transfers to Iran's solid fuel ballistic missile program and has supplied Pakistan with a design for nuclear weapons and additional nuclear weapons assistance. It has even transferred complete ballistic missile systems to Saudi Arabia and Pakistan. China's behavior thus far makes it appear unlikely it will soon effectively reduce its country's sizable transfers of critical technologies, experts, or expertise, to the emerging missile powers.

As recently as this July, U.S. intelligence agencies disclosed that China has continued to aid Pakistan's efforts to build long-range missiles that could carry nuclear weapons.

In addition, China has been a strong opponent of a number of major U.S. foreign policy and military undertakings. In June, Li Peng, chairman of the Chinese National People's Congress, visited Yugoslavia to express China's support for President Slobodan Milosevic and to condemn NATO and U.S. intervention in Kosovo.

In conclusion, I oppose this proposed extension of PNTR to China.

From the narrow perspective of trade policy, the United States would have to give up its ability to utilize U.S. trade laws to enforce compliance by China with its trade commitments. Aggressive and persistent use of U.S. trade laws to enforce compliance are more likely to produce results with China than the legalistic dispute resolution mechanism of the WTO.

More broadly and more fundamentally, extending PNTR would separate U.S. trade policy interests with China from the range of our other critical interests, including national security, foreign policy, human rights, religious freedom, labor rights, and environmental protection.

The United States would be severing its relationship of greatest leverage with China, the trade relationship which is so heavily skewed in China's favor, far exceeding China's relationship with any of its other major trading partners. But we, in effect, would be taking that relationship and severing it from all of these other important issues.

This may be in China's interest. But I do not perceive it to be in the interest of the United States. And, in fact, it is my view that it will become more difficult to achieve permanent normal relations with China—that is, across the breadth of these important issues at stake between us—more difficult if, in fact, we have put to one side and severed any connection with the trade relationship.

My view is that we should be seeking to achieve a permanent normal relationship with China in all of these areas, including the trade relationship.

But given the significance of the trade relationship, to sever that, as the measure before us would do, it seems to me will undercut or make more difficult our ability to achieve normal relationships in these other critical areas which I have enumerated.

I can understand China's strategic interest here. I think those who have come out on the floor and said this agreement is all in our favor, there is nothing in it for China, as I said at the outset, to think that the Chinese would agree to such an arrangement is to think they are either naive or being very charitable. I certainly don't think they are naive, and I certainly don't think they are going to be very charitable. I think that is a very important strategic objective they are out to accomplish. I think it is a very significant matter for them. As I say, it is clear to me that it serves China's interests, but I do not see it at this time as serving the interests of the United States.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent that following the conclusion of my remarks Senator ENZI be recognized, and following the conclusion of Senator ENZI's remarks, Senator KYL be recognized.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, reserving the right to object, I note that would be three Republicans in a row. I don't see Senator KYL on the floor. I am wondering if that could be modified so I could speak following Senator ENZI.

Ms. COLLINS. Mr. President, it is my understanding that Senator ENZI is speaking in favor of PNTR. I just agreed to have Senator SARBANES precede my speaking on PNTR despite the fact that it was a far more lengthy statement, although a very well-reasoned one, and Senator KYL has been waiting for several hours to speak.

I renew my unanimous-consent request.

Mr. BAUCUS. Further reserving the right to object, this is one of the strange situations where nobody is in charge and it is very disorganized. I came to the floor and I have been prepared to speak on this issue since the Senate came in session today. I was told there was no set order for speakers, and I talked to the staff on the committee that has jurisdiction over this bill. I am here and I don't see Senator KYL.

I again ask my good friend from Maine if she would revise her unanimous consent request so I could speak after Senator ENZI.

Ms. COLLINS. Mr. President, I inquire of the Senator from Montana how much time he desires.

Mr. BAUCUS. About 15 minutes.

Ms. COLLINS. Mr. President, to try to move things forward, I modify my unanimous-consent request. Following the conclusion of my remarks, the Senator from Wyoming, Mr. ENZI, would be recognized; and the Senator from Montana, Mr. BAUCUS, would be recognized; to be followed by Mr. KYL, the Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. I thank the Senator from Maine for her generosity.

Ms. COLLINS. Mr. President, I come to the floor this afternoon to join the Presiding Officer and several of my colleagues in discussing an issue of critical importance to our national security. That issue is the continued proliferation of weapons of mass destruction and whether we are willing to take action, at this time, to stem this dangerous trend. I rise today in enthusiastic support of the amendment offered by the Presiding Officer, the Senator from Tennessee, Mr. THOMPSON, who has worked so hard to present a reasoned and reasonable response to this threat to world peace. Senator THOMPSON's amendment imposes sanctions on key suppliers of weapons of mass destruction.

Let me start by stating that while this is not a new problem, it does represent a growing threat. The United States has long been concerned about transfers of technology by the People's Republic of China that contribute to the proliferation of weapons of mass destruction. In the past few years, however, some of our worst fears have been realized. Let's just look at China's record: In June of 1997, the Director of Central Intelligence submitted a report to Congress stating that from July through December of 1996, ''China was the most significant supplier of weapons of mass destruction and technology to foreign countries.''

In July of 1998, the Rumsfeld Commission reported: ''China poses a threat to the United States as a significant proliferator of ballistic missiles, weapons of mass destruction, and enabling technologies.''

In January 1998, the bipartisan Cox report stated bluntly: ''China stole and used classified design information on the neutron bomb, and concluded that China stole design information on our most advanced nuclear weapons, including every nuclear warhead the United States currently has deployed.''

In July of 1999, yet another year goes by, but the same problem persists. The Deutch Commission concluded that ''weapons of mass destruction pose a grave threat to U.S. citizens and our military forces, to our allies, and to our vital interests in many regions of the world.''

Once again, in January of this year, the Director of Central Intelligence named China, Russia, and North Korea as ''key suppliers'' of such technology. And just last month, the CIA's latest report again lists China as the key supplier of weapons of mass destruction and missile technologies to rogue states.

We need no further proof. The record is crystal clear. The time has come to act. We should not continue to turn a blind eye to this grave threat to our national security and to world peace. The fact is, we know China is selling missile and chemical technology to Pakistan. We know China has also assisted Syria, Iran, North Korea, and Libya by transferring critical technology. In fact, the CIA's January 2000 report states that China is perhaps the most significant supplier of weapons of mass destruction and missile technology in the world. Let me repeat that: China is the worst proliferator of weapons of mass destruction and related technologies in the world.

We all know there is no easy panacea to this problem, no single answer. Senator THOMPSON's amendment provides reasonable and effective responses to proliferation of weapons of mass destruction, missile technologies, and advanced conventional weapons. This legislation is a step in the right direction to ensure that the United States no longer tolerates China's role in continuing to be the world's No. 1 proliferator of weapons of mass destruction.

This legislation has been revised to address legitimate concerns raised by the business community, our farmers, and the Administration. The amendment has been broadened to apply not only to China, but to other countries identified by the Director of Central Intelligence as other key suppliers of weapons—that list currently includes Russia and North Korea. This legislation ensures that appropriate action will finally be taken against these proliferators, that we will no longer ignore these serious transgressions, that we will no longer turn a blind eye to what is happening.

This amendment is well crafted. It provides for discretionary, not mandatory, sanctions against countries that supply proliferating technologies. Frankly, I think a case could be made for mandatory sanctions. But the author of this amendment has bent over backwards to make sure it is a reasonable, well-crafted response.

Another change was in the evidentiary standard. It has been raised for imposing mandatory sanctions for companies identified as proliferators to give the President more discretion.

My hope is we will pass this amendment by a strong vote tomorrow, that we will send a strong signal to China and to other countries engaged in proliferation of weapons of mass destruction, that we will tell them there will be consequences, there will be penalties in response to spreading weapons of mass destruction.

Now is the time for us to act. Let us enact these reasonable, well-crafted changes to our foreign and national security policies.

I thank the Presiding Officer for his leadership on this very important issue, and I also thank him for taking the chair so I could deliver my statement.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I have been listening to this debate since it began 3 hours ago. I am afraid colleagues and their staff and people watching this debate might be under the impression we are debating whether to limit Chinese imports. That isn't going to happen. That isn't part of this bill at all. This isn't about limiting what China is sending here, although maybe it would be a good idea. This is talking about the limitations placed on our trade in their country.

It has also been mentioned a number of times that the Chinese do not keep agreements. It is a great chart. We have a copy of it on every desk. It has been mentioned that they are stealing our secrets. I do not think that is a secret to anybody but the Justice Department. This bill is not about stopping them from stealing our secrets. This bill is about sending our goods to China. I will go into that in a little bit more depth.

I do rise in strong opposition to the amendment offered by the Senator from Tennessee. It is not the goal of the amendment—reducing proliferation—that I oppose; I do not want proliferation. I want the Chinese under control. We all want to see the elimination of the proliferation of weapons of mass destruction and the means to deliver them. But I think the amendment takes a flawed approach toward solving the problems. Contrary to what the sponsors of this amendment indicate, this is a trade and economic sanctions bill. The amendment remains a counterproductive unilateral sanctions amendment that would impose trade and economic sanctions.

I appreciate the author changing it so that it is not mandatory. Under the only version I had seen before this amendment was submitted, it was to be a mandatory 5-year penalty, regardless of what was done and regardless of the size of the offense. So some flexibility is appreciated. The countless revisions made to the legislation further underscore why it would greatly benefit from committee input and consideration. This is sweeping legislation, and it has had no committee hearings and no committee consideration—at least I am not aware of a single vote or a single amendment proposed to this bill in a committee meeting. It is a little different from when we do major legislation.

Sponsors of the amendment are clearly frustrated at a perceived lack of enforcing sanctions contained in the nonproliferation laws that are now on the books. It is reasonable to conclude that the President should have imposed some very targeted sanctions as a result of certain missile-related transfers to Pakistan. However, I do not advocate, nor does this justify, making sweeping changes to our nonproliferation policy, which is what this bill will do. It singles out countries. It used to single out just one. It has been expanded a little bit. It still singles out specific countries—and they do need more scrutiny. We said these people steal, perhaps do not abide by agreements.

I am reminded of a quote by my grandpa. When he was talking about people he didn't trust, he said:

> I don't trust them as far as I can spit. And my chin is always wet.

You don't have to trust them to work with them, but you have to watch them.

I remind my colleagues, this bill will not have an effect on this President, but it will certainly have a tremendous impact on the President's ability to conduct foreign policy. It is not in our security interests to tie the hands of the President.

I have had a little experience with an industry in my State on this sanctions stuff. We have been working for years to be able to send soda ash to India. Soda ash—we call it trona in Wyoming—is used in making soda, but you also use it in glass manufacture and hundreds of other products. It is something needed in every single country. Southern Wyoming happens to have the largest single natural deposit of it in the world. We export that to most places around the world. Some places make it synthetically, and they put high tariffs on it or completely ban it from their country to give their country a better trade situation.

We had already gotten trona into India. We had everything moving, in place, to get it into India. And they had to touch off one of those nuclear bombs. They had to prove they had nuclear proliferation. Do you know what we did? We imposed immediate sanctions on them. Now we need to tell the countries what the problem is and what we are going to do, and I agree with that. But here is the effect it had on India.

They said: Oh, Wyoming, you know that product we did not want anyway? You are not going to let us have it, and we are glad. Now we are back to square one, trying to get trona into their country. It did not affect their economy, it did not stop their proliferation, it has not had any effect on them, but it has had a huge effect on us.

Trade is out of balance with China, but it is not proliferation that is doing it; it is people in the United States buying products from China. This bill and the proliferation amendment do not stop that. There are reductions in tariffs they will have to follow if they become a part of the World Trade Organization. They have already signed some agreements that say they will do that. That is our hope so we will be able to get a more competitive situation. Of course, we are also hoping to open up some new markets over there, and there are some other things that Wyoming and the United States will benefit from selling over there. We have to be careful not to spite ourselves while we teach China a lesson they will not hear.

Many in this body think the President currently has more than adequate authority to respond to proliferation undertaken by China or any other country. Some of the statutory examples are the Arms Control and Disarmament Act, the Export-Import Bank Act, the Arms Export Control Act, the Iran-Iraq Arms Nonproliferation Act of 1992, the Nuclear Proliferation Prevention Act of 1994, and the Export Administration Act, which at the present time is implemented by Executive order under the authority of the International Emergency Economic Powers Act, IEEPA.

If there is something that needs to be strengthened, that last item is the one where it needs to be done. A lot of the things we talk about to be able to control what China is able to use are embodied in that act. Right now, we encourage people to violate that law. We do not have sufficient penalties in that law. As I mentioned, it is operating under Executive order, and that takes away a lot of the capability of the United States to control what China has from us. It is important that that be done. But there are people in this body who evidently think we have enough of that because the ability to bring up the Export Administration Act has been thwarted.

This amendment we are debating, the nonproliferation amendment—great title—also authorizes a new and, in my view, a very harmful tool for conducting foreign policy; that is, restricting the access of capital markets in the United States. Just sending the signal to the rest of the world that we are willing use our capital markets for the conduct of foreign policy would have a chilling effect on the competitiveness of our markets.

Alan Greenspan, Chairman of the Federal Reserve Board, testified before the Senate Banking Committee on July 20. There he issued a pronouncement of his concern about any proposal which could restrict or deny access to our capital markets. Besides the harm this would certainly cause to our own markets, Chairman Greenspan questioned whether this provision would be an effective tool. After all, the United States is not the only source of capital in the world.

I will read just a portion of Chairman Greenspan's response to a question about using our capital markets as a foreign policy tool, specifically as provided for in this amendment. He said:

> But most importantly, to the extent that we block foreigners from investing or raising funds in the United States, we probably undercut the viability of our own system.
>
> But far more important is I'm not even sure how such a law could be effectively implemented because there is a huge amount of transfer of funds around the world. For example, if we were to block China or anybody else from borrowing in the United States, they could very readily borrow in London and be financed by American investors. Or, if not in London, if London were financed by American investors, London could be financed by Paris investors, and we finance the Paris investors.

So you can move it down the road as many steps as are needed in order to make the same transfer of dollars.

In other words, there are all sorts of mechanisms that are involved here. So the presumption that somehow we block the capability of China or anybody else borrowing in essentially identical terms abroad as here in my judgment is a mistake.

Claims have been made by sponsors of the China Nonproliferation Act suggesting that all of the major concerns about the bill have been addressed. Let's take a little closer look at these claims.

The first claim is the bill has been broadened to include countries in addition to China, so as not to single out China.

However, while the bill expands the list of potential sanctioned countries, the bill title and focus remains the same: the China Nonproliferation Act. This clearly infers that the singular political target of the bill is China. Regardless, expanding the bill to include more potentially sanctioned countries does not correct the flawed unilateral approach of the legislation. Since the bill would use the past five Director of Central Intelligence proliferation report country lists, those countries which could be subject to unilateral sanctions include—these are ones that could be included under these sanctions because we are going back 5 years and using the Director of Central Intelligence proliferation reports. You will find Germany, the United Kingdom, which includes Great Britain, Italy, France, and other more likely suspects. These countries were listed in the 1997 DCI proliferation report. This means this amendment could sanction some of our allies for 5 consecutive years.

The second claim by the sponsor of the China Nonproliferation Act is that the sanctions against supplier countries has been made discretionary, as opposed to the mandatory sanctions contained in the original bill. This is correct, but there is more than meets the eye. The sponsors of the bill leave out a crucial fact. If the President determines proliferation has occurred, he is required to apply all five of the sanctions provided for in section 4 of the bill. This is the mandatory, all-or-nothing aspect of the bill.

The third claim is that the revised bill raises the evidentiary standard from credible information to a Presidential determination, giving the President complete discretion in making a sanction determination. Once again, the sponsors leave out crucial facts. Unlike other nonproliferation laws, the revised bill does not give the President any discretion over the types of sanctions that should be imposed on proliferating entities or the length of time those sanctions should remain. It requires the sanctions to be in place for a minimum of 1 year regardless of the circumstances. It also does not give discretion to the President regarding the SEC disclosure required in the bill if an entity is included in the President's proliferation report. Remember, no conclusive proof is necessary for an entity to be included in the report.

It is also important to point out the dichotomy between the threshold level for the President's report—credible information—and that for triggering the mandatory sanctions—Presidential determination. This puts the President in the impossible position of labeling a certain activity, whether it occurred or not, as a concern sufficient to justify inclusion in the report to Congress but insufficient to justify action against the proliferator.

The bill's authors' next claim is that it would not affect Wyoming farmers and ranchers, but they fail to recognize that regardless of who is sanctioned by the bill, it would still punish American agricultural producers. That is because foreign countries sanctioned as a result of the bill may retaliate by not buying U.S. farm and industrial products. Most of the agricultural groups recognize this and, as a result, remain opposed to this legislation.

The last claim of the sponsors is that the latest charges of the bill make it ''consistent with current law and similar to the Iran Nonproliferation Act of 2000.'' The reality is this bill does not track the Iran Nonproliferation Act of 2000 at all, except for the credible information standard for the President's proliferation report to Congress. This amendment would only add another layer onto the 11 or more statutes available for the President to presently use against proliferators.

I will mention just a few of the differences. I could have some of them wrong because the bill we have may not be the same as the one we were able to look at yesterday.

I have mentioned a few of the differences in the amendment. As I mentioned before, there are mandated five different types of sanctions if the President determines proliferation occurred. In contrast, the INA allows for optional sanctions. The amendment before us requires sanctions for at least 1 year, whereas the INA does not require a specified period of time for sanctions to remain intact. If this is to track the Iran Nonproliferation Act, then I question the need for it, too.

This amendment provides for an expedited legislative procedure for Congress to use if it disagrees with the President's determination, whereas the INA does not. These facts clearly demonstrate that the China Nonproliferation Act contains significant and substantive differences from the recently passed Iran Nonproliferation Act of 2000.

I would be remiss not to mention the significant impact this amendment would have on the operation of our export control system. It would add an additional layer to the current patchwork of dual-use export control law. Instead, the focus should be on a complete reform and reauthorization of the Export Administration Act to address proliferation of the dual-use items.

Last year, the Banking Committee, as I mentioned, unanimously reported S. 1712, the Export Administration Act. This bill, the EAA, recognizes that the current system is broken and needs a complete modernization and overhaul to be fixed. The committee's EAA would create a country tiering system to take into account the risks of diversion and misuse of sensitive items if exported to any given country.

Among the other nonproliferation enhancements, it would require the denial of licensed exports to entities that do not cooperate with U.S. postshipment verifications, with the possibility of license denial to the affiliate or parent company. It keeps us from shipping items that would help them. It also allows controls to be imposed based upon the end use or end user on the export of any item that contributes to the proliferation of weapons of mass destruction or the means to deliver them.

In conclusion, I remind my colleagues that the amendment we are considering is a unilateral sanctions bill. It could easily replace the current China NTR votes with annual proliferation votes on China and on other countries, including our allies.

These are serious issues at stake, so it is not to the benefit of this body or to the people of the United States to hastily consider this legislation without the benefit of committee consideration. I share the concerns about proliferation, but this counterproductive amendment takes the wrong approach and would have harmful consequences on the U.S. national security and economy. I encourage my colleagues to take a careful look at it, to defeat the amendment, and to pass NTR.

I yield the floor.

The PRESIDING OFFICER (Ms. COLLINS). Under the previous order, the Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I rise in opposition to the Thompson-Torricelli Amendment.

I am very concerned, along with all of my colleagues, about missile proliferation and the development of weapons of mass destruction. However, this particular amendment does not enhance our ability to prevent dangerous proliferation. Just the reverse. The amendment will make it even harder for the United States to contain proliferation. It will seriously damage important American economic interests. And, if added to H.R. 4444, it will kill PNTR.

Let me outline some of the principal problems I see in this proposal.

First, we already have a broad body of law covering proliferation of missiles, weapons of mass destruction, and the inputs to those weapons. Those laws provide sufficient authority to the President to take action. Some may argue that there are cases where the President has not acted in a timely fashion or in the appropriate way. But he does have the proper authority and needs no more.

Second, the proposal effectively ties the hands of the next President and all future Presidents. The proposal reduces a President's flexibility in using the threat of sanctions as leverage to force a change in behavior by a proliferating state. In recent months, we have seen, for the first time in 50 years, that reconciliation between South Korea and North Korea seems possible. We have been able to resume discussions with the North on missiles. What a tragedy it would be if we were required to impose sanctions against North Korea just at the moment when significant progress is possible in that potential tinderbox!

Third, the scope of this proposal is so broad that sanctions would hurt innocent people and innocent entities. It could restrict purely commercial transactions. Stop scientific and academic exchanges that are important to our nation. And reduce military-to-military discussions that provide our own military forces with the information and insight necessary for them to do their job.

Fourth, these sanctions are unilateral. We have seen, repeatedly over the last two decades, that unilateral sanctions don't work. Multilateral sanctions do work. Enactment of this legislation would antagonize some of our closest allies, with the result that they may not cooperate with us in the future on multilateral non-proliferation regimes. It may feel good to take a unilateral sanction, but any effective program to stop proliferation must involve all of our allies.

Unilateral sanctions also hurt American farmers, workers, and businesses. While we are taking these unilateral measures and reducing the ability of Americans to pursue commercial activities with China, our Japanese and European competitors will be very happy to take our place in that growing market. Little harm to China. Great economic harm to America. A real boon for Japan and Europe. And once markets are lost, getting them back at some later time will be very, very hard.

The impact of this proposal on our agricultural sector could be very serious. It would prevent the use of various commodity credit programs for sales to China. Our European, Canadian, and Australian competitors would happily step in. Also, our farmers would be the likely first target of Chinese counter-retaliation. For these reasons, almost every major agricultural organization involved in trade opposes this legislation.

Finally, possible sanctions in this amendment include being barred from access to U.S. capital markets. Alan Greenspan, Chairman of the Federal Reserve Bank, testified on July 20 at the Senate Banking Committee. He said:

> Most importantly, to the extent we block foreigners from investing or raising funds in the United States, we probably undercut the viability of our own system. . .The only thing that strikes me as a reasonable expectation is it can harm us more than it would harm others.

This would be the first time America's capital markets have been used as a unilateral foreign policy sanction. This idea is plain nutty. Why would we want to damage the capital markets that have contributed so much to our current prosperity?

As we vote on granting China permanent Normal Trade Relations status, this amendment would effectively nullify much of the progress we have made in our economic negotiations with China.

We need to integrate China into the international community. Chinese participation in the World Trade Organization and our granting them PNTR is a critically important first step. We also need to work closely with our allies to bring China into the Missile Technology Control Regime and to ensure Chinese compliance with it and other weapons control agreements. We need to work with our allies to address Chinese human rights abuses forcefully at the United Nations Commission on Human rights and elsewhere. We need to work with the international community to help ensure peace and stability across the Taiwan Strait.

I support strong action against proliferation of missiles or weapons of mass destruction by China or any other country. But the Thompson-Torricelli amendment moves us backwards in these efforts.

In addition to these very important substantive reasons to vote against this amendment, there is another reason—the very survival of the underlying PNTR legislation. This amendment, like all amendments, is a killer. An amendment to H.R. 4444 means a conference will be required. At this stage of the Congressional session in this Presidential election year, there can be no conference. There will be no conference. A positive vote on this amendment is a vote to kill PNTR. Every Senator must understand this and decide whether you want to kill PNTR, with all the negative ramifications for our economy and our ability to influence China in the future.

If this, or any, amendment passes, it will be a sign that the Senate has voted to kill PNTR. I will not be complicit in that effort. Therefore, if there is a successful amendment, I will vote against invoking cloture, and I will encourage all my colleagues to join me.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Madam President, I ask unanimous consent that I be allowed to speak briefly in response to one point my colleague made before Senator KYL begins.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS. Reserving the right to object, it was my understanding there was agreement that Senator KYL would be the next speaker.

The PRESIDING OFFICER. The Senator is correct. The Senator is seeking to modify that.

Mr. THOMAS. How much time?

Mr. THOMPSON. I will take about 5 minutes.

Mr. THOMAS. I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Tennessee.

Mr. THOMPSON. Madam President, we have had a good discussion of the issues today, but recently the Senator from Montana has taken to the road of describing one of the ideas in the amendment as ''nutty.'' It doesn't really bother me if the Senator from Montana calls an idea of mine nutty. I assume that Senator TORRICELLI from New Jersey doesn't mind, either. But he is wondering where this nutty idea comes from. I will address that.

The Deutch Commission stated that:

> The commission is concerned that known proliferators may be raising funds in the U.S. capital markets.

They concluded:

> It is clear that the United States is not making optimal use of its economic leverage in combating proliferators. Access to capital markets is among a wide range of economic levers that could be used as carrots or sticks as part of an overall strategy to combat proliferation. Given the increasing tendency to turn to economic sanctions rather than military action in response to proliferation activities, it is essential that we begin to treat this economic warfare with the same level of sophistication and planning we devote to military options.

That is the source of that idea. The Deutch Commission, of course, is comprised of several distinguished U.S. citizens who gave up substantial portions of their time to serve on this Commission: Mr. John Deutch; Senator ARLEN SPECTER; Anthony Beilenson of California, served 20 years in the House; Stephen A. Cambone, director of research at the Institute of National Strategic Studies of the National Defense University; M.D.B. Carlisle, who was chief of staff to Senator COCHRAN; Henry Cooper, who is chairman of Applied Research Associates, Inc., a private consultant; Mr. James Exon, Nebraska, former Senator of the United States; Robert Gallucci, currently dean of the School of Foreign Service at Georgetown; David McCurdy of Oklahoma, former Member of the House of Representatives; Janne Nolan, professor of national security studies at Georgetown and director of the Ethics and National Security Project at the Century Foundation; Daniel Poneman, attorney at law, Hogan & Hartson; William Schneider, who is a former member of the recent Commission to Assess the Ballistic Missile Threat to the United States and was Under Secretary of State for Security Assistance, Science and Technology from 1982 to 1986; Henry Sokolski, executive director of the Nonproliferation Policy Education Center, a Washington-based nonprofit organization.

These are the people who came up with this nutty idea. I am proud to associate myself with them.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. I thank the Chair.

Madam President, I will be supporting the Thompson amendment and will explain why in a moment. But before the Senator from Montana leaves the floor, let me say that I am astonished that the Senator from Montana and others in his position have so little confidence in the underlying provision here that their view is that any amendment—the words of the Senator from Montana, ''any amendment''—would have to be opposed because it would jeopardize the passage of PNTR for China. I find that to be astounding.

This passed the House of Representatives by an overwhelming vote, by over 40 votes. It is supported very strongly by the Clinton-Gore administration. It is supported by the leadership, the minority and majority in both Houses. I am certain it will pass the Senate when it comes to a vote.

Given that, it seems to me quite strange, indeed, that any amendment that the Senate puts on this legislation will doom it to failure. Even amendments that arise from circumstances which occur after the House acted, I ask? For example, the representatives of the People's Republic of China, in their twice weekly briefings, have recently begun to insist on a condition to China's support for Taiwan's entry into the WTO. Taiwan, they say, must be admitted as a province of China rather than a separate customs territory, which is the way it has been negotiated among all of the countries involved. The wording is to the effect ''separate customs territory, China, Taipai'' I believe is the way it reads. Then there is the separate customs territory, Matsu, and I think two others.

Why is this important? It is a fact that has arisen after the House of Representatives acted. I am certain that everybody who voted for PNTR for China in the House of Representatives and everyone who supports it in the Senate, and I know the Clinton-Gore administration, all support the entry of Taiwan into the WTO as a separate customs territory. We do not support—President Clinton has sent me a letter confirming that he does not support—China's effort to redefine the circumstances under which Taiwan will enter into the WTO as the definition that China wants to make the political point that it believes Taiwan is strictly a province of China.

So this is a new fact. Now, are we to ignore this? Here China is asking us to grant them entry into WTO, and we are willing to do that. And China is saying: By the way, you are only going to get Taiwan's entry into WTO as we will define it, not as you all have already negotiated it.

The President of the United States and his Trade Representative, Ms. Barshefsky, have said no to the representatives of China, that is not correct. We will not go along with Taiwan's entry in that way. The Chinese continue to insist upon it.

Are we, the Senate, to ignore that development? Are we nothing but ciphers here to simply rubber stamp whatever the House of Representatives does? I don't think so. We have a constitutional responsibility, and to absolutely ignore it—in fact, to reject that responsibility, as Members of this body are apparently willing to do all in the name of getting this passed exactly as the House of Representatives did it, is to abdicate our responsibility. I think that is wrong.

As my colleagues know, the bill we are debating would grant permanent trade status to China. It is eventually going to pass and become law. Trade with China is an important issue, primarily due to the expansive nature of that country's economy and the desire of U.S. firms to participate in that economy. Trade alone doesn't define our relationship with China, as the present Presiding Officer made clear earlier, and as Senator THOMPSON made crystal clear in presenting his amendment. There are other troubling aspects to this, such as China's transfer of technology used to make ballistic missiles and weapons of mass destruction that I don't think can be ignored.

I am very pleased, therefore, that Senator THOMPSON has brought this amendment to the floor and that we are now debating it. I, too, would have preferred that it come up in a different context so that we could not have the argument raised against it—not on the merits, but for political reasons you don't dare support the Thompson amendment; otherwise, the bill will have to go back to the House of Representatives, and who knows what will happen. It might not pass. We would not be subjected to that argument if he could have raised the amendment as a freestanding bill. The supporters of PNTR would not permit him to bring it up as a freestanding bill. They knew they would have a better chance to defeat this if he had to propose it as an amendment to PNTR. But then they complain he is presenting it as an amendment to PNTR.

That is not an appropriate substantive position, it seems to me. It is clever from a parliamentary point of view, but I don't think it allows Senator THOMPSON to present the issue in the most dispassionate, objective, and appropriate way. We are now being relegated to the position that if this amendment passes, then PNTR is in jeopardy. Nobody wants that argument to be raised against them.

Let me make arguments which I think are on the merits. The Thompson amendment is meant to combat China's irresponsible trade in the sensitive technologies that I mentioned. In response to concerns expressed by the administration, the amendment has been revised to also cover the proliferation behavior of other countries, such as Russia, North Korea, and any other country that engages in this irresponsible behavior.

As a cosponsor, as I said, even though my comments will focus on cases of Chinese proliferation, as Senator THOMPSON has done, I also note that the administration's track record in responding to Russia and North Korea and their proliferation is, frankly, similar to the response with respect to China. I will comment about the proliferation. Senator THOMPSON made this point earlier, and I will raise a couple of new points.

It is very clear that over the past decade China has been the world's worst proliferator of the technology used to develop and produce nuclear, chemical, and ballistic missiles, narrowly edging Russia and North Korea for this dubious distinction. Beijing has sold ballistic missile technology to Iran, North Korea, Syria, Libya, and Pakistan, at least. It has sold nuclear technology to Iran and Pakistan. It has aided Iran's chemical weapons program and sold that nation advanced cruise missiles. China's assistance has been vital to the weapons of mass destruction program in these countries. It is not a trivial matter. Because of that assistance, the American people, our forces, and our friends abroad face a much greater threat.

That is what this boils down to. We want trade with China, but we also want to ensure that China doesn't endanger the American people and our allies and forces deployed abroad by their proliferation of these weapons of mass destruction. Sadly, the efforts of the Clinton administration to end Beijing's proliferation have not succeeded. Since taking office in 1993, the administration has engaged in numerous discussions with Chinese officials concerning their failure to live up to international nonproliferation norms. But it has failed to impose sanctions on Chinese organizations and Government entities, as required by several U.S. laws. Time and time again, the Clinton administration has either refused to follow the laws requiring sanctions, or has done so in a way deliberately calculated to undermine the intent of the sanctions.

To understand the need for the Thompson amendment, it is instructive to examine a few of the cases of Chinese proliferation and the administration's response.

First, the transfer of the M–11 missiles to Pakistan. Since taking office, the Clinton administration has been faced with the issue of China's transfer of M–11 missiles and production technology to Pakistan. The M–11 is a modern, solid-fuel surface-to-surface missile that is more accurate, mobile, and easier to fire than the Scuds that were used in Iraq during the gulf war. For the past 7 years, the administration has ignored mounting evidence in this case and has either failed to impose sanctions altogether or has taken steps to limit their effect. One month prior to President Clinton's inauguration, the Los Angeles Times reported that China had delivered about two dozen M–11s to Pakistan, breaking its pledge to the United States to abide by the

Missile Technology Control Regime, the MTCR.

The MTCR is a voluntary arrangement under which the 32 member nations agree to restrict exports of ballistic missiles capable of carrying a payload of at least 500 kilograms to a range of 300 kilometers, as well as key missile components and technology to nonmembers of the regime. While the MTCR does not have an enforcement provision, U.S. law requires sanctions to be imposed on nations that transfer technology regulated by this agreement. There are two categories. Category I of the MTCR covers transfers of complete missile systems, such as missile stages and some production equipment. Category II regulates transfers of specific missile components and dual-use goods used to produce missiles.

In August of 1993, the Clinton administration imposed sanctions on Pakistan's Ministry of Defense and 11 Chinese defense and aerospace entities for violations of category II of the MTCR. Shortly after the imposition of the sanctions, the Washington Times quoted State Department and intelligence sources as saying that despite ''. . . overwhelming intelligence evidence that China in November of 1992 shipped Pakistan key components of its M–11 missile''—an MTCR category I violation—Secretary of State Warren Christopher decided China had only committed a category II violation and imposed the mildest form of sanctions possible. Under Secretary of State Lynn Davis defended the decision, saying the U.S. did not have conclusive evidence Pakistan had received complete M–11s.

In October 1994, the Clinton administration waived these sanctions in return for another Chinese promise not to export ''ground-to-ground missiles'' covered by the MTCR, and for China's reaffirmation to the ''guidelines and parameters'' of the MTCR.

Since the waiver, despite a steady stream of press reports, congressional testimony, and unclassified reports by the intelligence community that have described China's continued missile assistance to Pakistan, the Clinton administration has not imposed sanctions as required by law.

For example, in 1995, the Washington Post reported that satellite reconnaissance photos, intercepted communications, and human intelligence reports indicated Pakistan had indeed acquired M–11s. The M–11s were reportedly stored at Pakistan's Sargodha Air Force Base where the Pakistani military has constructed storage facilities for the missiles and mobile launchers, as well as related maintenance facilities and housing for the launch crews. Soldiers have reportedly been sighted practicing launches with advice from visiting Chinese experts.

The Washington Post also reported in June of 1996 that all U.S. intelligence agencies believe with ''high confidence'' that Pakistan has obtained M–11 missiles and that Islamabad had probably finished developing nuclear warheads for them. An August 1996 article in that newspaper further disclosed that a national intelligence estimate, which represents the consensus judgments of U.S. intelligence agencies, concluded Pakistan was capable of an M–11 launch within 48 hours. It also confirmed Pakistan was constructing a factory to produce M–11s from Chinese-supplied blueprints and equipment.

In addition, an unclassified National Intelligence Estimate titled Foreign Missile Developments and the Ballistic Missile Threat to the United States Through 2015 published in September 1999, states, ''Pakistan has Chinese-supplied M–11 short-range ballistic missiles.'' And lest anyone believe Chinese missile assistance to Pakistan has ceased, on July 2nd of this year, the New York Times reported that ''China [has] stepped up the shipment of specialty steels, guidance systems and technical expertise to Pakistan * * * Chinese experts have also been sighted around Pakistan's newest missile factory, which appears to be partly based on a Chinese design, and shipments to Pakistan have been continued over the past 8 to 18 months. * * *''

According to the Washington Times, evidence of the M–11 sale also includes photographs of missile canisters in Pakistan and electronic intercepts regarding payments by Pakistan to China for the missiles. Yet despite this evidence, the administration has not imposed the sanctions required under U.S. law.

As Assistant Secretary of State for Nonproliferation Robert Einhorn said in Senate testimony in 1997, sanctions have not been invoked on China for the sale of M–11's to Pakistan ''* * * because our level of confidence is not sufficient to take a decision that has very far-reaching consequences.'' But the administration appears to have purposely set a standard of evidence so high that it is unattainable. As Gary Milhollin, Director of the Wisconsin Project on Nuclear Arms Control, testified to the Senate in 1997, ''I think the State Department just continues to raise the level over which you have to jump higher and higher as the evidence comes in so that sanctions will never have to be applied and the engagement policy can simply be continued. The effect is to really nullify the act of Congress that imposes sanctions, because unless the State Department is willing to go forward in good faith and complete the administrative process, then the law cannot take any effect.''

Another area where the administration has not lived up to its legal obligations concerns the sale of advanced Chinese C–802 anti-ship cruise missiles to Iran. These missiles pose a grave threat to U.S. forces operating in the crowded Persian Gulf. I would remind my colleagues of one example of this danger; in 1987, a similar Exocet cruise missile killed 37 sailors on the U.S.S. *Stark*.

Of course, parenthetically, when these events occur, everyone in the Congress and all of the pundits and a lot of American people say: Who are the people in charge? What are they doing? When did they know? What did they know? Why aren't they doing something to protect our soldiers and sailors and our folks deployed abroad? Why aren't they doing something?

The next time Americans are killed by a missile, the technology for which came from China, I am going to answer that question. I am going to say I stood on the floor of the Senate when we were debating PNTR and begged all of you to support an amendment which would at least allow us to impose sanctions on China when it engages in proliferation, and you wouldn't. No, no. PNTR with China is far more important than protecting American sailors or American soldiers or American citizens abroad. God forbid that time should come. I will be here again reminding my colleagues of what they are failing to do today to protect against the threat which probably will have an adverse impact on America in the future.

Continuing on about the Iranian issue, it is very interesting.

Iran's possession of this missile was first disclosed in January 1996 by Vice Admiral Scott Redd, then-commander of the U.S. Fifth Fleet. Admiral Redd said the C–802 gave the Iranian military increased firepower and represented a new dimension to the threat faced by the U.S. Navy, stating, ''It used to be we just had to worry about land-based cruise missiles. Now they have the potential to have that throughout the Gulf mounted on ships.'' In addition, Secretary of Defense Cohen has said that Iran has tested an air-launched version of the anti-ship cruise missile.

According to the Washington Times, in 1995, Defense Department officials recommended declaring that China had violated the Gore-McCain Iran-Iraq Arms Nonproliferation Act of 1992, which requires sanctions for the transfer to either country of ''. . . destabilizing numbers and types of advanced conventional weapons. . . .'' Yet State Department officials opposed invoking sanctions to avoid damaging relations with China.

In his Senate testimony in 1997, Assistant Secretary of State Einhorn acknowledged the transaction, stating, ''. . . the question of whether China transferred the C–802 anti-ship cruise missiles to Iran is not in doubt.'' He noted that ''Such missiles increase China's maritime advantage over other Gulf states, they put commercial shipping at risk, and they pose a new threat to U.S. forces operating in the region.'' But Mr. Einhorn maintained that the transfer was not ''destabilizing'' and thus did not meet the legal requirement for sanctions to be imposed.

Such thinking illustrates how the Clinton administration has refused to

implement nonproliferation laws. If the arrival of weapons which directly threaten the U.S. Navy is not ''destabilizing,'' it is hard to imagine what the administration might find sufficiently destabilizing for sanctions under the Gore-McCain Iran-Iraq Arms Nonproliferation Act.

The Senate has specifically addressed the issue of Chinese cruise missile sales. In June 1997, we passed an amendment offered by Senator BENNETT by a vote of 96 to 0, stating: ''The delivery of cruise missiles to Iran is a violation of the Iran-Iraq Arms Nonproliferation Act of 1992. It is the sense of the Senate to urge the Clinton administration to enforce the provisions of the [Act] with respect to the acquisition by Iran of C–802 model cruise missiles.'' Despite this unanimous expression by the Senate of the need to enforce the law, the administration has refused to take action in this case.

I note, parenthetically, that is the reason Senator THOMPSON is forced to come to the floor and offer this amendment. Time after time after time, we have said to the administration: Enforce the law that exists—the act I just spoke of, and others—and it won't be necessary to take action such as this. But when, time after time, existing laws are ignored or are enforced in ways that undercut their intent, eventually, if you are serious about the defense of the United States, you have to take action.

That is what has forced Senator THOMPSON to bring this issue to a head now at the moment when we are considering PNTR for China.

There have been several instances of Chinese proliferation where the administration has not invoked sanctions as required by law.

According to press reports, China has sold Iran ballistic missile guidance components, test equipment, computerized machine tools used to manufacture missiles, and telemetry equipment which sends and collects missile guidance data during flight tests.

Earlier this year, the Washington Times disclosed that China is assisting Libya's missile program. According to the Times, China's premier training center for missile scientists and technicians is training Libyan missile specialists; the director of Libya's Al-Fatah missile program was planning to visit China; and Beijing is building a hypersonic wind tunnel in Libya used to design rockets and simulate missile flight.

China has reportedly supplied missile guidance components and specialty steel to North Korea. This January, the CIA's semi-annual report to Congress on the proliferation of ballistic missiles and weapons of mass destruction indicated that China has aided Syria's liquid-fuel ballistic missile program.

And yet despite this evidence, the Clinton administration has not completed the necessary findings and imposed sanctions as required by law in any of these cases.

On rare occasions, the Clinton administration has obeyed sanctions requirements in laws, but only symbolically, thereby undermining the effectiveness of the action. For example, in May 1997, it sanctioned two Chinese companies, five Chinese executives, and a Hong Kong firm for knowingly assisting Iran's chemical weapons program. The companies and executives were banned from trading with the United States for one year, pursuant to the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991.

Because the sanctions were not applied to the Chinese government, but only to a handful of Chinese individuals and companies, while they met the bare requirements of the law their impact was minimal. As the Washington Post reported ''The sanctions announced yesterday will have minimal economic effect on China, officials said, because they are aimed at individuals and companies that do little business with this country.''

Secretary of State Albright defended the administration's decision not to sanction the Chinese government, stating that the United States had ''. . . no evidence that the Chinese government was involved'' in the chemical sales to Iran. But other administration officials acknowledge that the U.S. has raised concerns about chemical weapons-related sales to Iran with Beijing on numerous occasions. China's government may or may not have approved the sales, but government officials in Beijing clearly knew of the transfers, if only because of the concerns expressed by U.S. officials. We should not allow China's Government to take a ''see no evil, hear no evil'' approach to proliferation.

Finally, let me point out when the Clinton administration has levied modest sanctions, they have had some success in curbing Chinese proliferation. While the China's nuclear proliferation behavior seems to have improved in response to U.S. sanctions, it has not been trouble free. Some nuclear assistance to Pakistan may be continuing.

The CIA report from January 21 also states that our intelligence agencies cannot preclude ongoing contacts between Chinese and Pakistani nuclear organizations. In addition, in May of this year, the Washington Times disclosed that sales of U.S. nuclear reactors to China have been held up because China has refused to provide the necessary assurances that it will not re-export U.S. nuclear technology to other countries. The administration has correctly refused to approve 16 export licenses from American firms until China provides these assurances. My point in discussing China's response to even mild sanctions imposed by the U.S. in these particular cases is to illustrate that economic sanctions have altered China's proliferation behavior in the past. They can do so in the future, if we are serious.

I am not satisfied that even in this particular area the Clinton administration has lived up to the requirements of the law. The 1994 Nuclear Non-Proliferation Act requires additional sanctions beyond the suspension of Export-Import Bank loans by the Clinton administration in the ring magnet case. I referred to Assistant Secretary of State for Nonproliferation Robert Einhorn, who explained in Senate testimony that the administration avoided this legal requirement by claiming that it lacked proof that China's senior most leaders had approved the ring magnet sale and that the transaction, therefore, did not constitute ''a willful aiding or abetting of Pakistan's unsafeguarded nuclear program by the Government of China.''

This is a flawed argument, of course, because the Chinese company involved, the China Nuclear Energy Industry Corporation, is owned by the Chinese Government. Most companies owned by the Chinese Government can't act in China without the knowledge of the Government. In fact, most people in China can't act without the knowledge of the Chinese Government.

As Professor Gary Milhollin, Director of the Wisconsin Project on Nuclear Arms Control explained,

> These [ring magnets] are specialized items. We are not talking about dual-use equipment. We are talking about magnets that are made specifically to go into centrifuges that make enriched uranium for bombs. Those were sold by an arm of the China National Nuclear Corporation, which is an arm of the Chinese government. This was a sale by a Chinese government organization directly to a secret nuclear weapon-making facility in Pakistan of items that were specifically designed to help make nuclear weapon material. In my opinion, it violated China's pledge under the Nuclear Nonproliferation Treaty, which China signed in 1992. The treaty says if you export something like that, you have to export it with international inspection. China did not.

Under Secretary of State Lynn Davis made a similar assessment in testimony to the House International Relations Committee in 1996, saying China's ring magnet sale was ''. . . not consistent with their obligations as a party to the Nonproliferation Treaty.''

It is clear that time and time again the Clinton administration has not lived up to its legal obligations under several U.S. laws requiring sanctions to combat the proliferation of ballistic missiles and weapons of mass destruction. In some very revealing remarks in 1998, President Clinton explained his administration's record in this area. In what it described as ''. . . unusually frank remarks during an appearance before a group of 60 evangelical Christian leaders at the White House,'' the New York Times reported on April 28, 1998 that ''President Clinton criticized laws today that automatically impose sanctions on countries for behavior that Americans find unacceptable. He said such legislation put pressure on the executive branch to 'fudge,' or overlook, violations so that it would not have to carry out the sanctions.''

What the President acknowledged is only what many, many people in the

know have been saying for a long time; namely, that the relationship with China has gotten to be so important to this administration that it is willing to ''fudge'' the requirements of U.S. law to impose sanctions because they would get in the way of this budding relationship between President Clinton and the People's Republic of China.

According to the New York Times, in response to criticism that his administration has ''ignor[ed] or excus[ed] obvious violations of United States sanction laws to justify continuing to do business with certain countries,'' President Clinton said, ''What happens if you have automatic sanctions legislation is it puts enormous pressure on whoever is in the executive branch to fudge an evaluation of the facts of what is going on.''

It might put enormous pressure on the President of the United States to follow the law. When repeatedly he hasn't done so, a Senate that is worth its salt will stand up and finally do what Senator THOMPSON has done and say: Enough of this. The U.S. Government has got to see to it that our national security needs are protected, at least if we are going now to grant PNTR, permanent trading relations with China, and grant its admission to the World Trade Organization, thus precluding us from a whole series of unilateral actions that otherwise we could have taken. When you are in the WTO, you abide by its rules. You can't just willy-nilly be imposing sanctions on countries; otherwise, you will be held accountable under the WTO.

Fortunately, the way Senator THOMPSON has drafted his amendment, the President of the United States would be able, under limited circumstances, to impose sanctions based upon national security requirements, and he would also incidentally have the ability to waive those requirements in the national security interest. He is not bound to do anything that he shouldn't do.

One wonders, however, if a President is suggesting that he needs to ''fudge'' the requirements of the law in order to maintain this great relationship with China, what even the requirements of the Thompson amendment would do. Fortunately, he has accounted for that possibility by also requiring a report of the President to the Congress of why he didn't impose sanctions, if he didn't, and requiring some specificity so we will at least understand what is at stake and whether or not the President should have imposed sanctions so that we might at least take some other steps.

Senator LEVIN, incidentally, summarized the view of many when he said the examination of China's proliferation record at a 1997 Senate hearing had shed light on ''an area where I think we have not lived up fully to our own domestic requirements in terms of the imposition of sanctions where evidence is plenty clear, or clear enough for me, at least.''

Senator STEVENS made a similar point during the same Senate hearing in 1997, stating, ''I am coming to the conclusion that maybe the administration is so narrowly interpreting our laws that we would have the situation that if a country moved a missile or a poison gas or bacterial warfare system piece by piece, grain by grain, you could not do anything about it until all the grains were there and then it would be a fait accompli.''

The Thompson amendment would significantly improve the current situation. It would require an annual report to Congress on the people, organizations, and countries on which our government has credible information indicating they have been engaged in the proliferation of nuclear, biological, or chemical weapons or ballistic or cruise missiles. This requirement for full disclosure should eliminate the ability of the Clinton administration or those of future administration's to ''fudge'' the facts. They use the President's words. It should greatly improve the ability of the Congress to exercise effective oversight over this and future administrations.

Second, it will send a clear signal to organizations in China and other nations, such as Russia and North Korea, that if they engage in proliferation, sanctions will surely follow. As I mentioned earlier, sanctions have been one of the foreign policy tools that have moderated China's behavior. When our Government has been serious about effective change in China and has been willing to use sanctions, we have seen results. Perhaps had the administration been more willing to implement the laws in this area and used sanctions more frequently, we would have seen less proliferation of these extraordinarily lethal technologies to rogue nations.

Finally, I point out the amendment contains a waiver provision, as I said before, which allows the President to waive the requirement for sanctions under the legislation if it is important to the national security of the United States not to apply these provisions.

So there is no reason for anyone to suggest that this amendment is a poison pill; that it would somehow tie the President's hands; or that it should not be adopted because it would jeopardize the passage of PNTR or the future security of the United States.

Madam President, sanctions should not be the first or only tool used in the fight against proliferation. But this tool should not grow rusty from disuse either. As the Washington Post noted in an editorial as recently as July 14 of this year:

> . . . China's continuing assistance to Pakistan's weapons program in the face of so many U.S. efforts to talk Beijing out of it shows the limits of a nonconfrontational approach.

The United States must back our frequent expressions of concern with actions if our words are to be perceived by China and other proliferators as credible. We must enforce our own laws if we are to be successful in persuading other nations to live up to their international commitments in treaties and other international agreements. And we need to be realistic in our dealings with nations such as China, Russia, and North Korea.

I urge my colleagues to support the Thompson amendment. It is an amendment which will help to guarantee the national security interests of the United States. It will do nothing to impede trade or otherwise interfere with the operation of the WTO or the passage of the PNTR.

Therefore, Madam President, as I said, I urge my colleagues to support the Thompson amendment.

Mr. THOMAS. Madam President, I ask unanimous consent that now, following the conclusion of the statement by Senator KYL, the following Senators be recognized: Senator KERRY, Senator INHOFE, Senator GRAHAM of Florida, and Senator SMITH of New Hampshire, in that order.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KERRY. Madam President, I rise to oppose the Thompson amendment. I want to talk a little bit about the reasons I oppose it, and perhaps respond a little bit to some of the comments that have been made in the course of the afternoon.

Having been part of these debates now for some period of time, I have begun to notice the ebb and flow on how we approach these issues of concern about foreign countries, about issues of national security and how they do and do not impact us. It is interesting because we tend to go to the extremes. That is perhaps part of the nature of the Senate. It is part of the nature of the political process. But what is clear to me, after observing this over a long period of time, is that it is not always beneficial to furthering the larger national security concerns of the country.

I approached this issue originally with much the same concern as the Senator from Tennessee. I think all of us are deeply concerned about the degree to which certain countries seem to be contributing to the potential of instability in the world. Obviously, there is nothing more destabilizing or threatening than weapons of mass destruction. We have spent an enormous amount of time and energy focused on Iraq, on Iran, on Russia, on loose nukes, on nuclear materials, and of course on China and on the issue of the transfer of technology to Pakistan.

So I took the time to go to the Intelligence Committee briefing on this subject, to really get a handle and try to get a sense of how concerned should I be about this: Are we really at a point where this is so clear-cut and such an egregious violation of Presidential discretion that the Congress of the United States ought to step in and, in a sense,

take away from the President whatever flexibility he has been left with to date?

May I say I went into that briefing with a sense of: Boy, these guys have really screwed up and now is the time to bring the hammer down. I came out of it, however, with a much different sense of the road that has been traveled and of the choices we ought to be making and we face in the Senate today.

The fact is, on nuclear issues—separate from missile technology transfers—we have made rather remarkable progress in the last 8 years, with a country that very recently accepted no norms of international proliferation behavior.

On March 9, 1992—let's recollect here, this is only 8 years ago, a very short span of time in terms of the evolutionary process occurring in China, and particularly a short span of time in terms of our period of real engagement with China.

On March 9, 1992, China acceded to the Nuclear Nonproliferation Treaty.

Later in 1992, China agreed not to export complete missile systems which fall within the payload and range parameters governed by the Missile Technology Control Regime.

On January 13, 1993, China signed the Chemical Weapons Convention.

In May of 1996, China agreed not to provide any assistance to nuclear facilities not under the International Atomic Energy Agency safeguards.

In September of 1996, China signed the Comprehensive Test Ban Treaty.

In September of 1997, China promulgated new export controls, and that control list is substantively identical to the dual-use list used by the Nuclear Suppliers Group.

On October 16, 1997, China joined the Zangger Committee which coordinates nuclear export policies among NPT members.

On April 25, 1997, China ratified the Chemical Weapons Convention and began to enforce export controls on the dual-use chemical technology.

In June of 1998, China published a detailed export control regulation governing dual-use nuclear items.

In 1998, China agreed to phase out all support for Iran's nuclear energy program, even support to safeguarded facilities, which was not prohibited by the Nuclear Non-Proliferation Treaty.

So that is a rather remarkable series of progressive movements towards the community of nations whereby China not only signed agreements but began to lay down a substantive record of making choices to enforce and to adhere to those standards.

With respect to missiles and missile control technology, I am not going to stand here in front of the Senator from Tennessee or my other colleagues and suggest there are not some concerns. I am not going to suggest that, with respect to the 1994 agreement under the Missile Technology Control Regime, that with respect to the complete production facility there is not a question about Pakistan being in violation. That is what, in fact, prompted me to suggest perhaps the administration had erred and we ought to be doing more.

After 1997, that progress clearly tapers off. But I ask my colleagues to think hard about this—how do you best build a relationship with a nation that is neither friend nor enemy but a nation with which you have a developing relationship? How do you best build the capacity to achieve the kind of national security standards you want adhered to.

I suggest very respectfully that this unilateral, rather draconian, inflexible approach that is being offered in the Thompson amendment is precisely not the kind of step we should be taking.

Some colleagues of mine will focus on the PNTR components of this, the clean PNTR component. I am not going to focus on that now. That is a pretty simple argument, and they have done their part in articulating it.

I know the Senator from Tennessee did not intend to wind up in this predicament, offering his amendment to PNTR. In fairness to the Senator, there are colleagues in the Senate who saw political advantage in guaranteeing we come to the floor in the particular parliamentary knot we are in. He would have preferred an alternative venue for considering his amendment. That does not mean the argument can be ignored. I want my colleagues to vote against the Thompson amendment not only to preserve a ''clean'' PNTR, but because there are substantive reasons that thoughtful foreign policy and thoughtful relationships between the Senate and the executive branch mandate we refuse to accept this amendment in its current form. Specifically, let me talk about that for a minute.

There are a number of questions the Thompson amendment in its current form presents the Senate with. One, and the most evident of all, is will this amendment cause China to clean up its act on the issue of proliferation?

I say to my colleagues, if you look at the record of China's statements with respect to the annex of the missile technology and control regime, and if you measure where China has traveled in these past years, I think this act could have the opposite effect. It could drive China away from this slow process of understanding we have been working toward on proliferation.

I ask my colleagues to remember that as recently as only 1997, China did not even have an office that dealt with the issues of missile technology exports. In the last 5 or 6 years, China had no record whatsoever of restraining its companies from making any sales whatsoever. Yet already, because the United States of America has raised this issue again and again in a diplomatic context, we now are at a point where companies in China are being refused export rights for certain kinds of technology that are deemed to be dual use. In other words, China is moving towards the international community in its efforts to enforce the spirit—not the letter because they have not signed on to the law yet—but to enforce the spirit of the law.

I say to my colleagues, if you want China to sign on to the letter of the law and to sit down and negotiate with you a realistic regime by which we can lay out a mutual agreement on these issues, I guarantee that adopting this amendment will end those discussions and push us in the opposite direction from the direction in which we are trying to move.

We should also ask ourselves the question: Will this legislation force the President to sanction China for a proliferation violation? Does this legislation accomplish the goal which it sets out to accomplish? For all of the talk on the floor of the Senate and for all of the rhetoric about we have to send China a signal and we have to make certain that China toes the line, the bottom line is that even if this were passed and signed into law, it simply will not force the President to do what it sets out to do, because it offers the opportunity for the President to define a waiver in national security terms that can not be overridden by the Congress, under the procedures outline in this bill.

I will set out a series of reasons why I believe colleagues should oppose this amendment, strictly on substantive grounds.

No. 1, this amendment takes a piecemeal approach to the global problem of proliferation by focusing on just a few countries. Originally, it was focused on China. Russia and North Korea are add-ons, afterthoughts, if you will, to try to make it more palatable and to somehow suggest there is a rationale for doing what we are doing. But the fact is, if the rationale is proliferation, it ought to apply to every country. There is no reason to have a specific China-centric effort when, in fact, there are many other countries about which we are equally concerned.

No. 2, it uses the blunt instrument of mandatory, unilateral sanctions to respond to any violation of the law no matter how inconsequential or unintentional.

No. 3, it bases those sanctions on unreasonably low standards of evidence.

No. 4, it imposes a burdensome reporting requirement on agencies whose time is arguably better spent stopping proliferation rather than simply collating thousands of pieces of information, some of which is based on such a low standard with respect to ''credible information'' that it could literally tie you up forever, and I will show evidence of that a little later.

No. 5, it introduces the U.S. capital markets for the first time in history into proliferation policy, a concept that Federal Reserve Chairman Alan Greenspan has strongly questioned.

In short, in my judgment, this legislation as currently drafted, would hinder rather than help U.S. efforts to

address the problem of proliferation in China or particularly elsewhere in the world.

I think the problems with this amendment start at the very beginning. The legislation is titled ''The China Nonproliferation Act.'' While Senator THOMPSON has, as I said, included a couple of other countries as targets, China remains singled out in the title and China remains the focus, as everybody understands.

Whether or not he intends it, that will certainly be the way it is read by the Chinese, and I know no observer, neutral or biased, who would not agree that would, in fact, be the result of this legislation.

So rather than heeding the next President and his advisers when they tell China its proliferation of WMD and ballistic missile technology has to end, China's leadership is going to point to this legislation as evidence that the United States is simply using the proliferation as an excuse to single them out.

Again, I repeat, we have spent decades working to pull China into a serious dialog about serious issues. China has come to acknowledge that it is important to embrace some of these international norms. And we should not force the next administration, whoever it is, to waste valuable diplomatic energy persuading China that we take proliferation seriously, whatever the source, even though the Senate in the context of this particular treaty is singling them out.

I do not believe we should set aside U.S. national interests simply to avoid angering the nations targeted by this amendment. That is not what I am suggesting. But I do think it is foolish of us to ignore real sensitivities and real reactions that occur and which we have especially seen historically with China.

This amendment essentially sends a signal to the world that we are less bothered by proliferation that does not come from the three states named in this legislation: If you are not China, if you are not North Korea, and if you are not Russia, somehow there we care less about your proliferation activities. I think that is a mistake in terms of any messages sent by the Senate.

The second major flaw in the amendment is its reliance on mandatory unilateral sanctions. We have had a number of debates on the floor of the Senate in the last couple of years about the negative impact of mandatory sanctions. It has almost, I think, become a consensus in the Senate that we want to move away from mandatory unilateral sanctions.

The sanctions that have been proven to work globally are the sanctions that are applied multilaterally. That is what happened in South Africa with apartheid. We have a long list of sanctions unilaterally applied by the United States of America which simply open up opportunities to other countries to fill the vacuum created we are unilaterally taken off the playing field. The question is whether or not that really helps us in terms of our nonproliferation objectives.

There is, in effect in this legislation a sledge-hammer approach; there is no subtlety. There is no ability to provide a President with flexibility. There is no ability even to allow a sufficient amount of time for the diplomatic process to work.

Because the requirement of this legislation is that the President has to impose all of the sanctions simultaneously in response to one proliferation violation. This is a heavyhanded, one-size-fits-all approach that destroys some of the flexibility to calibrate appropriate responses to inappropriate proliferation behavior. It destroys any potential that we might be able to change China's behavior as we go down the road.

I know it is not easy to argue for that sort of approach. It is always easier to come to the floor and talk tough or pass a tough kind of signal. But every time we have done that in the Senate, we have come back later questioning why it is that other countries are not following us, questioning why it is that other countries are, in fact, engaged in an overt effort to circumvent what the United States is doing, questioning how, in fact, we could have had a more effective policy in the first place.

I will fault this administration on its lack of focus and energy on the proliferation issue as a whole. They will not like to hear that. Nevertheless, I am convinced that unless you have a more visible, multilateral effort, then you are simply opening a Pandora's box of opportunity for the competitive marketplace to undermine what you are trying to achieve and, in the process, making it far more difficult to achieve a larger set of goals which require a more sophisticated approach.

The Thompson amendment also does not allow the United States to coordinate its proliferation response in China, North Korea, or Russia with our allies. By forcing the President to impose sweeping unilateral sanctions within 30 days of submitting a report to Congress on proliferation it severely limits the President's ability to consult with either the government of the covered country or with U.S. allies in order to develop the most effective response.

This amendment ensures that the United States will therefore come into conflict with key allies in Europe and in Asia over how to best manage important relationships with China, Russia, and North Korea. I think that is of enormous concern. It is also, I may say, almost guaranteed to fail in changing the proliferation activity of a particular country.

Let's say China were caught in some particular effort, and we were unsuccessful, and you wind up unilaterally imposing the sanction. Do you really believe that at that point you have made it more likely they are going to acknowledge it, at least in the near term, by suddenly putting up their hands and saying, OK, you caught us red-handed? No pun intended.

The fact is, you have a much greater opportunity of holding people accountable if you use diplomacy to allow people sufficient opportunity to back down or to find alternative forms of behavior.

The third major failing of this amendment is that it creates an unreasonable standard for imposing sanctions, targeting even inadvertent and immaterial transfers of technology. All of the power the President needs to be able to hold a country accountable for proliferation violations already exists in the law today. You do not have to do what the Senator from Tennessee is seeking to do in order to hold these countries accountable.

I understand why he is doing it. He is doing it because the administration does not seem to want to do it.

So supporters of this amendment are trying to legislate the political will for a President to do something that, for whatever reasons, the current President has decided not to do. They have every right in the world to try to do that. But I ask my colleagues if we ought to take the permanent normal trade relations and put that on the table with respect to achieving something that is already in the law?

We have the Arms Export Control Act, section 3(f). We have the Arms Export Control Act, section 101, 102. We have section 129 of the Atomic Energy Act. We have section 821 of the Nuclear Proliferation Prevention Act of 1994. We have section 824 of the Nuclear Proliferation Prevention Act of 1994. We have section 2(b)(4) of the Export-Import Bank Act. We have sections 72 and 73 of the Arms Export Control Act; section 11(b) of the Export Administration Act. We have section 498(a)(b) of the Foreign Assistance Act. We have section 81 of the Arms Export Control Act; section 11(c) of the Export Administration Act with respect to chemical and biological weapons proliferation. We have Executive Order No. 12938 with respect to all weapons of mass destruction technology and delivery systems. We have the Iran-Iraq Arms Nonproliferation Act of 1992 and the Iran Nonproliferation Act of the year 2000.

In fact, missile technology transfers are already subject to U.S. law, and the President has the authority to sanction those violations.

Senator THOMPSON will argue: Well, we are going to make the Administration do it because they haven't done it.

That is the whole purpose of being here. I understand that argument. But in fact he won't necessarily make them do it because, of course, there is the waiver.

Well, then they have a redress. They can have one-fifth of the Congress, either House, which is 20 Senators who don't particularly like trade with China, they can come back and tell the President: Well, we don't like the fact

that you haven't applied sanctions. So they can try to go around that decision, which means we could be tied up on a standard that simply doesn't make sense for the Congress of the United States to be tied up on with respect to the potential of some kind of ''credible information'' suggesting some dual-use technology transfer that might contribute to the creation of a missile or some kind of missile capacity. That is the standard in here. Those U.S. sanctions laws I cited—with only one or two exceptions—includes the standard that a violation must be a knowing transfer of sensitive technology that makes a material contribution to a weapon of mass destruction program. A knowing transfer with a material contribution. The standard in this legislation requires any kind of contribution made with no deliberate knowing whatsoever.

So you have all five mandatory sanctions that could be put in place absent, obviously, the waiver I described, or if the Congress wanted to fight over it, which we can all find 100,000 reasons why it might choose to do so, given the nature of this institution in the last years. I don't think we should open ourselves up to that situation.

The new standard under this is any transfer that ''contributes to'' instead of the ''materially contributes to,'' the design, development, production, or acquisition of weapons of mass destruction. That could mean that the President could be required to impose sanctions on a company that makes legal and legitimate sales to a person or a government engaged in WMD development.

Fourth, the Thompson amendment requires a rather remarkably burdensome report identifying every person in China, Russia, and North Korea for whom there is ''credible information indicating that that person is engaged in proliferation activity.'' The flood of information guaranteed by this amendment will tie up already limited resources in the executive branch that could, in fact, be doing a far more serious job of working on proliferation itself.

The low credible information standard, I know, is derived from the Iran Nonproliferation Act of 2000, but that doesn't make it an advisable standard, No. 1, and, No. 2, under that standard, any piece of information from a source deemed to be credible has to be reported without discretion, even if the information later proves to be false.

Now, Congress has yet to receive the first report that was required under the INA, in part because the intelligence community has so far generated 8,000 pages of information that is deemed credible just on chemical and biological weapons and missile proliferation alone. Analyzing that mountain of data to determine what should be included in a report to Congress requires obviously countless man-hours. And as burdensome as the reporting requirement for INA is proving to be, believe me, that law, since it focuses only on one country with a far more identifiable set of sources because of the limits of commerce, trade, presents us with a gargantuan task. The Thompson amendment applies the same reporting requirement to possible proliferation from three nations: Russia, a gigantic task; China, a gigantic task; and North Korea, a far more limited task but nevertheless real.

It will also require reporting on all dual-use exports by the United States and key allies. The amendment's reporting requirement is tied to a report by the Director of Central Intelligence on suppliers of dual use and other technology. And because that report covers global exports of these technologies, the 1997 DCI report included information about legal and legitimate exports by the United States, Italy, Germany, France, and the United Kingdom.

According to the DCI, these nations were ''favorite targets of acquisition for foreign WMD programs.'' So the report required under section 3 of the Thompson amendment will likely include information on Western countries just so long as the information is credible. Firms in these countries can probably avoid the mandatory sanctions because those countries qualify for exemption for membership in multilateral nonproliferation regimes. It doesn't mean you won't report; it simply means you won't have the sanctions. But you still have to go through the convoluted process of providing the reports themselves and analyzing the information.

Finally, the Thompson amendment introduces U.S. capital markets for the first time in history into proliferation policy. It will impose indirect sanctions against those entities included in the President's report that are publicly traded on stock markets regulated by the U.S. Securities and Exchange Commission.

Companies named in the President's report will have to so inform investors, according to the requirements of this legislation. Supporters of the amendment argue that those provisions are simply to provide transparency for American investors in entities that are active in U.S. capital markets and involved in proliferation activities.

In fact, because the reporting standard is so low, it is likely that many of the entities implicated in the report will, with further investigation, be proven innocent of engaging in proscribed proliferation activities. In short, the President must shoot first, and ask questions later—after the financial damage has been done to firms that are innocent.

I don't want to step over the line as to what was classified and what is not classified with respect to the briefings. I think it is fair to say that the intelligence community will tell you that this is not a clear cut and dry process by which there is a clear understanding at every level of government in China as to who is doing what. There are many people in the intelligence community who have a sense that because of the orders given to the military a number of years ago with respect to their dependency on revenue in order to survive, that there are certain military entities that weren't necessarily under direct orders to effect something.

There are certain companies that weren't under central control, and the process of education with respect to America's concern and their own interests in adhering to these standards has been an ongoing process, which has brought a greater level of understanding and a greater level of commitment.

Now, I would personally prefer that China formally adopt and embrace the full measure of the Missile Technology Control Regime. That should be the immediate and first priority of our diplomacy. That should be the immediate and first effort of our country and of the multilateral efforts of our allies to guarantee that we are all on the same page, that we are all operating from the same level of understanding.

But the intelligence community acknowledges that there is a difference of opinion as to precisely what the understandings were or what was agreed to with respect to certain kinds of transfers, and that there is clearly progress being made with respect to the development of that understanding. And while it is difficult sometimes to take this position in the Senate, I argue that we have a much greater opportunity of reaching a fuller understanding and of guaranteeing that we move down a road of multilateral understanding and interest if we do not pass the Thompson amendment at this particular point in time.

The truth is that the United States-China relationship is our most complex and difficult bilateral relationship. It is one of the most important that we have. It is yet to be fully defined. As I said earlier, China cannot be considered a friend; but China cannot yet—and should not, we hope—ultimately be considered an enemy. There are many adversarial aspects of our relationship. There is much we wish would change more rapidly in China. Thirty years of engagement with China has taught us that you can't necessarily advance one issue at the expense of another.

While I am under no illusions that supporting PNTR is going to produce overnight changes in other aspects of China's policy that we care about, I am absolutely confident that singling China out with this amendment will make it more difficult to draw China into an international nonproliferation regime, and it will undermine the limited success that we have achieved in the arms control arena over the last 10 years. I am absolutely convinced that in the near term it will make progress more difficult without bringing us closer to the goal that we may well be able to achieve in the near term through other approaches.

I believe Senator THOMPSON has done the Senate and the country a service by raising this issue. It is important for us in the Senate to talk about the degrees to which there are currently misunderstandings, or the degrees to which we believe there are just overt violations by China of understandings. It is important for China to understand the full measure of our concern and determination to hold them and other countries accountable to the international norms with respect to proliferation issues.

But I believe that will best be done not by singling out three countries, but rather by continuing in the Senate to push all nations toward a stronger regime and a better understanding. I think this amendment is flawed, therefore, in its current definition, for the reasons I have stated. It is not the right response. It is not the right forum for addressing this issue that does deserve thoughtful and full consideration. I urge my colleagues, therefore, to oppose the Thompson amendment.

I ask unanimous consent that a letter from the president of the New York Stock Exchange regarding the stock exchange components of this and the opposition of the SEC to it be printed in the RECORD.

Thre being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. TRENT LOTT,
Majority Leader,
The Capitol, Washington, DC.

DEAR MR. MAJORITY LEADER: I am writing to express the strong opposition of the New York Stock Exchange, Inc. (NYSE) to the provisions of S. 2654, the China Nonproliferation Act, pertaining to access to U.S. capital markets. The NYSE is the world's largest equities marketplace and is home to more than 3,000 companies with more than $17 trillion in global market capitalization. Non-U.S. issuers play an increasingly important role on the NYSE. The NYSE list more than 380 non-U.S. companies—more than triple the number listed five years ago.

While the NYSE does not in any way condone the proliferation activities that S. 2654 attempts to address, the NYSE believes that one of the bill's sanctions—denial of access to the U.S. capital markets—will hurt U.S. investors while failing to deter these activities. Under S. 2654, the NYSE could be prohibited from listing additional Chinese companies or be required to delist Chinese companies trading on the Exchange. The reach of these expansive provisions is not limited to companies involved in proliferation activities but could extend to any company owned or controlled by nationals of the PRC, including those in Hong Kong.

If the NYSE is required to de-list a company as a result of S. 2654, U.S. investors in the company will be harmed. However, companies denied access to the U.S. capital markets by S. 2654 sanctions would not be deprived of the ability to raise capital. Non-U.S. exchanges actively compete with the NYSE for non-U.S. listings. These exchange would be happy to list the stock of any company denied access to the U.S. capital markets by S. 2654. As Federal Reserve Chairman Alan Greenspan stated in response to a question about S. 2654 at a July 20 Senate Banking Committee hearing ''a most fundamental concern about this particular amendment is it doesn't have any capacity of which I'm aware to work. And by being put in effect, the only thing that strikes me is a reasonable expectation that it would harm us more than it would harm others.''

We appreciate your consideration of our views on this matter.

Sincerely,

RICHARD A. GRASSO,
President, NYSE.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Madam President, national security must take precedence over trade. Granting permanent trade favors to China in the face of its openly threatening actions of recent years is unconscionable.

We cannot allow the pursuit of dollars to blind us to certain realities about the ruling communist regime in China, including: repeated threats against the United States and Taiwan; massive military modernization and buildup; its proliferation of dangerous weapons to rogue states; theft of U.S. nuclear secrets; demonstrated strategy to exploit commercial relationships to acquire advanced military technology; attempts to corrupt the U.S. political system; violation of international agreements; and brutal repression of dissidents.

To ignore these actions in the belief they can be separated from what we do in our trading relationship is dangerously misguided. China's trade surpluses are helping to finance the regime's military buildup and aggressive foreign policy, while strengthening its hold on economic and political power.

Similarly, to suggest that increased trade is by itself going to reverse China's negative behavior is belied by recent history. Trade with China has been steadily increasing for the past decade while its behavior in these security areas has grown substantially worse.

America should require from China some measure of permanent normalized international behavior as a prerequisite to permanent normalized trade relations. Otherwise, it is predictable that the favors we grant to China will be exploited to enhance its military buildup, while the market-opening favors and prosperity we expect from China will be much less than many in our country anticipate.

I want to emphasize that I am not philosophically opposed to free trade. I voted for the recent Africa-Caribbean trade bill and I am a strong supporter of a measure to end the use of agricultural trade sanctions as a means to achieve policy goals.

I am very skeptical about the extent to which China will actually open its markets to U.S. products. Despite tariff-lowering measures in trade agreements, China has—in the past—sought to erect other complicated trade barriers to block imports. Especially with regard to agricultural products, China is unlikely to offer the wide-open market some in the U.S. are anticipating. China will go to great lengths to protect its own huge labor-intensive agricultural sector, because of the difficulty of absorbing displaced agriculture workers in scarcer city jobs.

Permanently opening the U.S. market to China now—in the face of its bullying at home and abroad—would be viewed by Chinese leaders less as an act of friendship than as an act of weakness. It would signal to them that there is going to be no meaningful consequence to their bad behavior and that America is content to put the pursuit of dollars ahead of any obligation to protect its own values and security.

The following are examples of the major national security issues that must be considered in the debate over PNTR for China:

Threats to the United States: In recent years, China has issued direct military threats against the United States of a kind that even the Soviet Union largely avoided in the darkest days of the Cold War. These included a threat to destroy Los Angeles with nuclear weapons; other threats to launch missile strikes on the United States and neutron bomb strikes on U.S. aircraft carriers if we should intervene to defend Taiwan. In 1998, the CIA confirmed that at least 13 of China's 18 land-based ICBMs were targeted on American cities. In Dec. 1999, China's defense minister, reflecting well-documented military thinking in China, stated, ''War (with the U.S.) is inevitable. We cannot avoid it.''

Threats to Taiwan: China has openly threatened military action against democratic Taiwan. In 1996, China fired M–9 missiles off the coasts of Taiwan in an attempt to intimidate voters during its presidential election. In Feb. 2000, it issued a ''white paper'' openly threatening ''all drastic measures, including the use of force'' if Taiwan delayed reunification talks, a threat previously reserved only for a Taiwanese declaration of independence. In 1995, China had 40 M–9 missiles targeted on Taiwan. By 1999, it had deployed at least 200 such missiles and the number is increasing at a rate of 50 per year. The Pentagon estimates that by 2005, China could have 800 missiles targeted on Taiwan.

Military buildup: China is engaged in a massive long-term military modernization largely designed to counter U.S. power projection capabilities. In March 2000, China announced a 13 percent increase in military spending, which U.S. analysts believe is probably a lot less than the true number. China's new JL–2 submarine-launched ICBM will be able to hit the United States from Chinese territorial waters. China's new DF–31 truck-mounted mobile ICBM was test-fired in August 1999 and described by U.S. Air Force analysts as ''a significant threat not only to U.S. forces . . . in the Pacific theater, but to the continental U.S. and many of our allies.'' In January 2000, China signed a multibillion dollar deal to purchase weapons from Russia, adding to what it has already purchased, including: 4 heavy destroyers armed with SS–N–22 ''Sunburn'' nuclear-capable cruise missiles designed specifically

to attack U.S. aircraft carriers; 200 SU–27 jet fighters, which are more capable than the U.S. F–15; 40 SU–30 jet fighters with precision guided weapons; 4 Kilo-class (quiet) attack submarines; 24 Mi–17 assault helicopters; and 50 T–72 tanks. China is also purchasing up to 4 Airborne Warning and Control System—AWACS—aircraft. In addition, China is employing all means—legal and illegal—to purchase improvements in a whole range of advanced military technologies, including: computers; lasers; space launch and space control systems; cyber-warfare; stealth; and chemical, biological and nuclear weapons.

Proliferation: China is doing more than any other country to spread dangerous weapons and military technology to rogue states around the world. In recent years, China has transferred technology on such items as missiles, nuclear weapons, and chemical and biological weapons to North Korea, Iran, Pakistan, Libya, Iraq, and Syria, among others—often in direct violation of commitments to refrain from such behavior.

Thefts and compromises of nuclear secrets: In 1999, the Cox Report revealed that China had stolen or otherwise acquired advanced U.S. technology on ballistic missiles, nuclear weapons, reentry vehicles, high performance computers, anti-submarine warfare techniques and much more. It confirmed that China had acquired information on our most advanced miniaturized nuclear warhead, the W–88, helping to give China MIRV capability—multiple warheads on a single rocket.

As I reported in a major speech on the Senate floor on June 23, 1999, what we learned is that 16 of the 17 most significant major technology breaches to China revealed in the Cox Report were first discovered after 1994—during the Clinton-Gore administration. And that at least 8 of these actually occurred during the Clinton-Gore administration.

I have compiled this important information in a chart that clearly illustrates what the Clinton-Gore administration has been trying to cover up for over 5 years.

It helps reveal the fact that Clinton and Gore have not protected national security in our relations with China; that their appeasement of China has extended to selling, transferring, and overlooking the theft of some of our most sensitive nuclear and missile-related secrets. Coupled with their receipt—in the 1996 campaign—of hundreds of thousands of dollars in illegal campaign contributions from China, this is a scandal of huge proportions.

The American people need to know the truth, but they are not going to get it by listening to the self-serving spin being spewed by this President and his equally culpable and subservient Vice President.

Exploitation of commercial arrangements to acquire technology: The Cox Report also revealed the massive efforts China is making to acquire advanced military technology through its dealings with U.S. companies in the commercial sphere. For example, it confirmed that through its arrangements to launch satellites for U.S. companies such as Loral and Hughes, China acquired technology which improved the accuracy and reliability of its long-range military rockets which are targeted at the United States.

Attempts to corrupt U.S. political process: During the 1996 election cycle, people with close ties to the Chinese government funneled hundreds of thousands of dollars in illegal campaign contributions in an attempt to influence U.S. elections. The full extent of this scandal is not yet known. But we do know that the FBI director, Louis Freeh, and the hand-picked Justice Department investigator, Charles LaBella, believed it was serious enough to require the appointment of an independent counsel to fully investigate. Serious questions remain about the activities of John Huang, Charlie Trie, James Riady and a host of others who were involved. One of the important critical questions is whether national security was compromised in return for campaign cash. Neither China not the Clinton Administration has cooperated in these investigations.

Violations of agreements: China has failed to abide by international agreements it has made in the past. For example, despite promises to abide by the norms of the multilateral Missile Technology Control Regime, China has repeatedly engaged in weapons proliferation activities.

Human rights—repression of dissidents: The U.S. State Department confirms that China's record on human rights has deteriorated in recent years, that it has engaged in such activities as arrests and repression of political dissidents, persecution of religious expression, exploitation of slave labor, and forced abortions. China has never repudiated its actions in brutally crushing China's democracy movement at Tiananmen Square in 1989 or its ethnic cleansing in Tibet.

These issues cannot be ignored or swept under the rug in an exclusive pursuit of trade. Our first obligation is protecting national security. We will not do it by evading the truth. Granting China permanent normal trade status without any progress on these issues is appeasement. Granting it in the naive hope that it is going to bring about such progress is a delusion.

Madam President, once again, I support the Thompson amendment. I think most of the people who are supporting it also support PNTR. I am going to be opposing PNTR. However, I think he is addressing one of the many areas where we have a problem with proliferation.

As I have said, I think national security must take precedence over trade. Granting permanent normal trade status to China in the face of its openly threatened action in recent years is, I believe, unconscionable.

While Senator THOMPSON is correct when he talks about the problems with proliferation, there are many other problems, too, which include China's repeated threats against the United States and Taiwan; China's massive military modernization buildup; China's proliferation of dangerous weapons to rogue states; China's theft of U.S. nuclear secrets; China's demonstrated strategy to exploit commercial relationships to acquire advanced military technology; China's attempts to corrupt the U.S. political system; China's violation of international agreements, and China's brutal repression of dissidents.

I think to ignore these actions in the belief that they can be separated from what we do in our trade relationship is dangerously misguided. China's trade surpluses are helping finance the regime's military buildup, while strengthening its hold on economic and political power. Similarly, to suggest that increased trade by itself is going to reverse China's negative behavior is belied by recent history. Trade with China has been on the upswing. We are trading more with them: Yet their behavior in security areas has grown substantially worse.

I believe America should require from China some measure of permanent normalized international behavior as a prerequisite to permanent normalized trade relations. Otherwise, it is predictable that the favors we grant to China will be exploited to enhance its military buildup, while the market-opening favors and prosperity we expect from China will be much less than many in our country anticipate.

I emphasize that I am not philosophically opposed to free trade. I did oppose NAFTA in 1994. In fact, I did it for two reasons. One was that I knew what was going to happen to our infrastructure as a result of allowing trucks from Mexico to go through our corridors—being from Oklahoma, we are pretty close to it, and the occupant of the Chair being from Texas, she understands this—without having to comply with our environmental standards, wage and hour standards, and safety standards. The competition isn't open. It is not a level playing field. We know that. The other reason is, it seemed to me it would damage our trade deficit. If you will remember, in 1994, we had a trade surplus with Mexico of $1.3 billion. It is now a $22 billion trade deficit.

On the other hand, I voted for the recent Africa-Caribbean trade bill. I am a strong supporter, along with Senator ASHCROFT, of exempting agricultural products from the sanctions. I am very skeptical about the extent to which China will actually open its markets to U.S. products. Despite tariff-lowering measures in trade agreements, China has in the past sought to erect other complicated trade barriers to block imports—especially with regard to agricultural products.

I think it is very unlikely that China is going to go to great lengths to protect its own huge labor-intensive agricultural sector because of the difficulty of absorbing displaced agricultural workers in scarcer city jobs. I had a chance to visit the other day with Wei Jing Sheng. He was a dissident who was imprisoned for some period of time in China. He is exiled now; he is here. He said it made perfectly good sense. Why would we expect China to import wheat grown in Oklahoma or someplace in the United States, when all that would do would be to take the very labor-intensive, antiquated technology that they use in their agricultural programs in China and then move those people to the cities where they can't absorb it? This individual was absolutely convinced that would be the end result.

Permanently opening the U.S market to China now—in the face of its bullying at home and abroad—would be viewed by Chinese leaders less as an act of friendship than as an act of weakness. It would signal to them that there is going to be no meaningful consequence to their bad behavior and that America is content to put the pursuit of dollars ahead of any obligation to protect its own values and security.

The following are some examples of the major national security issues that I think should be considered in the debate over PNTR to China. Of course, this amendment only deals with one of them.

First of all, the threats to the United States.

In recent years, China has issued direct military threats against the United States of a kind that even the Soviet Union in the midst of the cold war would never have made. These include a threat to destroy Los Angeles with nuclear weapons. Another threat was to launch missile strikes on the United States; neutron bomb strikes on U.S. aircraft carriers if we should intervene to defend Taiwan.

In 1998, the CIA confirmed that at least 13 of China's 18 land-based ICBMs were targeted on American cities. We knew it a long time before that. But somehow there was a leak, and I believe the Washington Times was able to disclose that.

In December of 1999, China's Defense Minister said war with America was inevitable.

I hesitate to say this, but I remember so well when we were warned by Senator BOB KERREY, a Democrat Senator from Nebraska. Some of you may not know it. In 1992, before the election of Bill Clinton to the White House, he said Bill Clinton is an awfully good liar. He was very prophetic.

I think of all of the things this President has said that are untrue, probably the one that inflicted the most damage on the United States is the one he repeated 133 times. Keep in mind that at the time he said this, he knew the Chinese were targeting American cities. He said: For the first time in the history of the nuclear age, there is not one—I repeat, not one—missile aimed at an American child tonight. Everybody cheered. Yet we knew at that time that missiles from China were aimed at American cities. They still are today. We know that. It is not even classified.

China is engaged in a massive, long-term military modernization largely designed to counter U.S. power projection capabilities. In March 2000, China announced it was going to have a 13-percent increase in military spending. Most of our U.S. analysts believe that is far from the true figure; it is really far greater than that. China's new JL–2 submarine-launched ICBM will be able to hit the United States from Chinese territorial waters. China's new DF–31 truck-mounted mobile ICBM was test-fired in August of 1999 and described by U.S. Air Force analysts as ''a significant threat not only to U.S. . . . forces in the Pacific theater, but to the continental United States and many of our allies.''

In January of 2000, China signed a multibillion-dollar deal to purchase weapons from Russia adding to what it already had purchased, including four heavy destroyers armed with SS-N–22 ''Sunburn'' nuclear-capable cruise missiles designed specifically to attack U.S. aircraft carriers; 200 SU–27 jet fighters—this is a jet fighter that we know now is better than any air-to-air combat vehicle we have, including the F–15—40 SU–30 jet fighters with precision-guided missiles; 4 Kilo class, quiet class, attack submarines; 24 MI–17 assault helicopters; and 50 T–72 tanks. China is also purchasing up to four airborne warning and control systems—AWACS systems—that they are purchasing from Israel. In addition, China is employing all means legal and illegal to pursue improvements in a whole range of advanced military technologies, including computers, lasers, space launch and space control systems; cyberwarfare; stealth, chemical, biological, and nuclear weapons.

Let me repeat: On the SU–27 and SU–30, I was very proud of Gen. John Jumper a few months ago when he had the courage to stand up and tell the American people the truth.

There is this myth floating around, particularly among people who are anti-defense to start with, that there is no threat out there—that America has the best of everything. We don't have the best of everything. Gen. John Jumper, the air commander at that time, made the statement that Russia, in the position of manufacturing their SU–27s, SU–30s, and SU–35s and selling them on the open market to countries such as Iran, Iraq, Syria, Pakistan, and North Korea—this is something they have. The proliferation is going on and on. They already have more modern equipment and better equipment in some areas of combat than the United States has.

China is doing more than any other country to spread dangerous weapons and military technology to rogue states around the world. In recent years, China has transferred technology and such items as missiles, nuclear weapons, and chemical and biological weapons to all the countries I just mentioned—North Korea, Pakistan, Libya, Iraq, Iran, Syria, and other countries, which is a direct violation of commitments to refrain from such behavior.

I guess what I am saying is China has been working. It is not a matter of what they have and how you trust China. It is the same with Russia. They are trading technologies and trading systems with these other countries. That is compromising nuclear secrets.

The 1999 Cox report revealed that China had stolen or otherwise acquired advanced U.S. technology on ballistic missiles, nuclear weapons reentry vehicles, high-performance computers, anti-submarine-warfare systems, and much more. It confirmed that China had acquired information on our most advanced miniaturized nuclear warhead, the W–88, helping to give China a MIRV capability—a multiple warhead on one single rocket.

In fairness to China, I have to say that they have had a lot of help. The administration has been very helpful to China.

By the way, I have frequently said things about the President that other people do not say. I would suggest to you, Mr. President, that Teddy Roosevelt said ''patriotism means to stand by your country.'' It doesn't mean to stand by the President or any other elected officials to the exact degree that he himself stands by his country. It is unpatriotic not to oppose a President to the same degree that he, by inefficiency or otherwise, fails to stand by his country. I believe President Clinton has failed to stand by his country.

As reported in a major speech on the Senate floor in March and again on June 23rd, what we learned, as revealed in the Cox report, is that if you take away these other 17 compromises of our nuclear secrets—the first one, the W–70 warhead, you can forget about that. It happened in the Carter administration. It is obsolete. So it doesn't matter. These 16 do—at least 16, including the W–88 warhead I just referred to, which is our crown jewel. The first of these happened perhaps in a previous administration. The second eight all happened during the Clinton administration. These happened on Bill Clinton's watch. As far the first ones are concerned, the W–88 warhead technology, W–87 warhead, W–78 warhead, W–76 and W–62 warheads—all of these happened perhaps in a previous administration.

But we found out in the Cox report that there was a Chinese ''walk'' into a CIA office where they said that in 1994 they informed the administration the Chinese had all of these secrets. These are from perhaps other administrations. But the President knew about it.

The President covered it up. Berger and the rest of them covered it up until the Cox report, through their investigation in January of 1999, discovered that in fact these were discovered 5 years before. It was a coverup until 1999.

I think it is an appropriate place to bring this up again just for the purpose of discussing this because we have got to remind the American people exactly what happened. All of this talk about what has happened in our energy lab, all the talk about passing laws that something such as this cannot happen again—I can tell you right now, if you have a President of the United States such as President Clinton who willfully goes out and stops the security at these laboratories—one of his first acts after becoming President—of course there is going to be a problem. This is what this President did. In 1993, when he first got into office, he removed the color-coded security badges that had been used for years by the Department of Energy's weapons labs. They were removed as being discriminatory. We don't want to hurt anyone's feelings, so we can't have color-coded badges.

Second, he stopped the FBI background checks. In 1993, the FBI background checks for workers and visitors of the weapons labs were put on hold, dramatically increasing the number of people going into the labs who had previously not had access.

Third, he overturned the DOE's security decision. In 1995, the Department of Energy personnel action revoking the security clearance of an employee found to have compromised classified information was overturned, giving him back his classification after it was proven he compromised secrets.

No. 5, he rejected the FBI request for wiretaps. Since 1996, four requests for wiretaps on the prime suspect in the investigation of the loss of information on the W–88 warhead technology were rejected. The suspect was allowed to keep his job before being fired in the wake of news reports in 1999, the Cox report.

No. 6, he leaked classified information to the media. In 1995, a classified design drawing of the W–87 nuclear warhead was leaked to and represented in the U.S. News and World Report magazine. The leak investigation was stopped when it pointed directly to the Secretary of Energy and this administration.

No. 7, President Clinton or the Clinton-Gore administration thwarted whistleblowers. Career Government employees, such as the Energy Department's former Director of Intelligence, Notra Trulock, and its former security and safeguards Chief, Ed McCollum, who tried to warn of security concerns, were thwarted for years by political appointees. We had hearings in the Intelligence Committee on this, and the Readiness Subcommittee, which I chair, of the Senate Armed Services Committee.

No. 8, the administration switched export license authority. They did this in 1996, from the State Department to the Commerce Department. This was over the objection of both the State and the Defense Departments.

No. 9, he granted waivers allowing missile technology transfers. You may remember the most notorious. President Clinton took a signed waiver to allow the Chinese to buy the guidance technology to put on their missiles that was made by the Loral Corporation; their CEO was the single largest contributor to the Clinton-Gore campaigns.

No. 10, he ended COCOM. In 1994, the Coordinating Committee on Multinational Export Controls, called COCOM, the multinational agreement among U.S. allies to restrict technology sales to China, he dissolved that.

The list goes on and on. China had a lot of help in getting virtually everything that we had.

Exploitation of commerce, commercial arrangements to acquire technology. The Cox report revealed engagement of a massive effort by China in acquiring advanced military technology through its dealings with U.S. companies. We have talked about that.

China has it all. In the first chart, there were 16 compromises. We don't know what they have done with this information. I don't think our intelligence knows. We now know that all 16 compromises took place and China has the technology. What they have built with this technology, we don't really know for sure.

In the attempt to corrupt the 1996 election cycle, people with close ties to the Chinese Government funneled hundreds of thousands into illegal campaign contributions in an attempt to influence U.S. elections.

Remember the pictures of AL GORE at the temple? This full extent of the scandal is not yet known, but Louis Freeh, the Director of the FBI, as well as the hand-picked Justice Department investigator, Charles LaBella, believed it was serious enough to require the appointment of an independent counsel to fully investigate the Clinton-Gore scandal. Serious questions remain about the activities of John Huang, Charlie Trie, James Riady, and the list goes on and on. Of course, Janet Reno has refused to appoint counsel. I don't think we will hear more from this administration.

China has failed to abide by international agreements it has made in the past. For example, despite promises to abide by the norms of the multinational missile technology control regime, China has engaged in weapons proliferation. The distinguished Senator from Arizona, Mr. KYL, was talking about this a few minutes ago.

Lastly, the U.S. State Department confirms that China's record on human rights has deteriorated in recent years. It has deteriorated, not gotten better. Trade has increased but the relationships have deteriorated. They have engaged in such activities as arrests, repression of political dissidents, persecution of religious expression, exploitation of slave labor, and forced abortions in China, and have never repudiated its actions in brutality curbing China's democracy movement in Tiananmen Square in 1989.

These issues cannot be ignored or swept under the rug exclusively, pursuant of trade. Our first obligation is to protect our national security. We will not try to do it by evading the truth. Granting China permanent normal trade status without any progress in these areas is appeasement. An appeaser is a guy who feeds his friends to the alligators hoping they will eat him last.

No man survives when freedom fails, the best men rot in filthy jails, and those who cry ''appease'' are hanged by those they try to appease.

In October of 1995, when we were preparing to intervene when they were doing the missile tests to try to influence the elections in Taiwan, China's top official said: We are not concerned about the United States coming to the defense of Taiwan because they would rather defend Los Angeles than defend Taipei.

That is, at the very least, an indirect threat at a missile coming to the United States of America.

Just a few weeks ago, the Defense Minister of China said war with America is inevitable.

When we are talking about giving a country such as this preferred status, we will not be doing it with my vote.

Mr. GRAHAM. Mr. President, in March of 1999, I traveled, for the first time, to the People's Republic of China with a number of our colleagues. At the end of a long flight from Detroit to Beijing, I looked out the window as we were on the final approach to the airport. I was struck by the mass of humanity, from horizon to horizon, that lay before me. That scene underscored one of the greatest challenges in the 21st century, and it will be that we and China together take all necessary steps to work to assure and maintain peaceful relations between our peoples.

With almost one-quarter of the world's population within its borders, China could represent the greatest threat to our Nation's national security. However, if we maintain a sense of respect and strive for peace between the United States and China, and if that remains among the highest priorities of U.S. diplomacy, we can continue to build the permanent institutional relationships that will give us the greatest assurance of peace in the years to come.

As we enter the new millennium, I can think of no better way to demonstrate America's leadership than by advancing and expanding our trade and investment policy with the world's most populous nation. Before we discuss the details of this vote, I would like to take this opportunity to recognize the enormous cooperative effort of the President, the leadership of the

Congress, the agricultural communities of the United States, and many other citizens in support of this measure.

Today we are debating an amendment offered by Senator THOMPSON of Tennessee. I wish to commend Senator THOMPSON for calling the attention of the Nation and of this body to the proliferation of weapons of mass destruction and their delivery systems. I agree that this is an issue that is vital to our national security and merits the closest attention. This is an issue which I have personally followed through my work on the Senate Select Committee on Intelligence.

Unfortunately, the amendment that is before us, an amendment which has been entitled ''The China Nonproliferation Act,'' does not give the issue of proliferation the comprehensive and serious treatment which I believe it deserves. We need to do more than send a message to the Chinese. We need to develop a comprehensive program that will effectively deal with the proliferation problem on a global basis. If our goal is to deter proliferation, it must be a global effort at deterrence. Although I will oppose the Thompson amendment when we vote on it tomorrow, I do hope we will be able to work together to develop legislation that will effectively and comprehensively deal with proliferation.

As we commence this stage of the debate, it is important that each of us completely understand the specific issue which we are debating, the details of what the Senate is being asked to vote upon, and the likely consequences of this vote.

Let me first describe in very simple terms the substance of the vote to grant permanent normal trade relations to China. In order to clarify the fact that this status is not a unique or a special status, Congress, in 1998, passed legislation to redefine the designation, to redefine from the phrase ''most favored nation'' to the more appropriate phrase ''normal trade relations.''

China has had most favored nation and now normal trade relations status each year since 1979, when the United States first established diplomatic relations with the People's Republic of China. This status has been subject to annual review and annual renewal. It is worth mentioning that not once in the past 21 years has China been denied normal trade status.

Currently, the United States denies normal trade relations status to Cuba and North Korea. That denial is required by the Jackson-Vanik amendment to the Trade Act of 1974 because those nations deny, seriously restrict, or burden their citizens' right to emigrate.

The United States also denies normal trade relations status to Afghanistan, Laos, Serbia, and Montenegro, as directed by more recent legislative or Presidential action.

It is important to note that, although economic sanctions have been levied against Iran, Iraq, and Libya, these nations still legally retain their normal trade relations status with the United States.

By granting China permanent normal trade relations status, we will fulfill our commitments under the World Trade Organization and will then be able to take advantage of the special concessions which were obtained from China in bilateral agreements negotiated by this administration. However, if we fail to grant China permanent normal trade relations status and China is granted membership in the World Trade Organization, every other WTO member country in the world will be able to take advantage of the range of benefits that we, the United States, negotiated for ourselves, except the United States of America.

With that brief description in mind, it is important to clearly outline the issues that will not be affected by this vote.

First, we are not voting on whether or not we agree with, like, or trust the Chinese Communist Government. We are simply voting on a change and, in my view, an enhancement, in our 21-year economic relations with China.

Second, we are not voting on whether or not to allow China to enter the World Trade Organization. This will take place regardless of what actions the Senate takes on permanent NTR status.

Third, we are not voting on the bilateral WTO accession agreement between China and the United States. That agreement has been signed and will not be changed or renegotiated.

Fourth, we are not voting on a trade agreement with multilateral concessions like the North American Free Trade Agreement. The bilateral agreement this administration has already negotiated is a one-way agreement in which China agrees to eliminate or reduce tariffs and makes other concessions to WTO members. All WTO members, including the United States, have made no concessions to China. Granting permanent normal trade relations status to China does not require us to give the Chinese any additional access to our markets. They have made all of the concessions.

Fifth, we are not voting on any of the issues surrounding the relationship between mainland China and Taiwan. In fact, the Taiwanese position on this vote could not have been more clearly stated than by the Taiwanese President, Chen Shui-bian, in a March 22, 2000, interview with the Los Angeles Times. In that interview, the President stated:

> We would welcome the normalization of U.S.-China trade relations, just like we hope the cross strait relations [between Taiwan and China] also can be normalized. We look forward to both the People's Republic of China and Taiwan's accession to the WTO.

If the United States continues to be concerned about protecting Taiwanese security and other interests, then should we not pay close attention to the strong support of the President of Taiwan for granting PNTR to China?

I ask unanimous consent to print the full text of this March 22, 2000, Los Angeles Times interview in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRAHAM. I thank the Chair.

Finally, we will not prevent the continued importation of Chinese products to the United States by voting against this legislation. For example, under the WTO agreement on textiles and clothing, U.S. import quotas on Asian textiles will be phased out in 2005. China is currently scheduled to benefit by that 2005 phaseout of Asian quotas. It is anticipated that this phaseout of Asian quotas will result in significant increases in imports of textiles and garments that have been manufactured and assembled generally from Asian raw materials and textiles into the United States.

However, under the bilateral accession agreement, the United States negotiated a special textile-specific import safeguard which will remain in place until the end of 2008. Therefore, by defeating this underlying legislation to grant permanent normal trade relations to China, we will actually be doing harm to the U.S. textile and apparel industry.

We will not, by failure to pass this legislation, affirmatively address any of the genuine concerns which have been expressed about our relations with China. None of those concerns will be affirmatively addressed by voting against this bill. In fact, a ''no'' vote will result in both tangible losses, such as the loss of the special textile safeguard, as well as some important intangible losses. Killing this legislation now may create the illusion that we are making a strong, positive statement about our relationship with China when, in fact, the failure to engage China now may have much more serious negative effects into the future.

What have we accomplished thus far? In considering this modification of our trade relationship with China, it is helpful to examine the substance and scope of our most recent bilateral trade negotiations.

First, in April of 1999, the United States and China signed a bilateral agricultural cooperation agreement which removed unfair trade barriers to U.S. wheat, meat, citrus, and poultry products. The agreement signified a new era in our bilateral agricultural relationship, an era based on sound science and the mutual benefits of open markets.

When the agreement was signed, Agriculture Secretary Dan Glickman stated it was a fundamental breakthrough for American agriculture. He estimated that Chinese trade restrictions had cost America's competitive producers billions of dollars in sales. This agreement to lift longstanding and contentious barriers to our grain,

citrus, and meat would have significant benefits in terms of greatly expanded exports of these products to the vast Chinese market.

Second, it is important to note the critical provisions of the bilateral WTO accession agreement signed by the United States and China in November of 1999. These provisions include:

First, on U.S. priority agricultural products, tariffs will drop from an average of 31 percent today to 14 percent by January of 2004, with even sharper declines for beef, poultry, pork, cheese, and other commodities. China will significantly expand export opportunities for bulk commodities, such as wheat, corn, and rice, and it will eliminate trade-distorting export subsidies. These are all goals that have been long sought by the United States.

Second, the industrial tariffs on U.S. products will fall from today's average of 24.6 percent—that was the average in 1997—to an average of 9.4 percent by 2005.

Third, China will participate in the information technology agreement and will eliminate tariffs on products such as computers, semiconductors, and related products by 2005.

Fourth, under the agreement, China will phase in trading rights and distribution services over 3 years and also will open up sectors related to distribution services, such as repair and maintenance, warehousing, trucking, and air courier services.

Presently, China severely restricts trading rights and the ability to own and operate distribution networks, both of which are essential to move goods and compete effectively in any market.

Fifth, the agreement opens China's market for services. For the first time, China will open its telecommunications sector and significantly expand investment and other activities for financial services firms.

It will greatly increase the opportunities open to professional services, such as law firms, management consulting, accountants, and environmental services.

Finally, with regard to safeguards, no agreement on WTO accession has ever contained stronger measures to strengthen guarantees of free trade and to address practices that distort trade and investment. For example, for the first 12 years of its WTO membership, China has agreed to a country-specific safeguard that is stronger and more targeted relief than that provided under our own current section 201 law. This safeguard applies to all industries, permits us to act based on a lower showing of injury, and permits the United States to act specifically against imports from China.

The agreement includes a provision recognizing that the United States may employ special methods designed for nonmarket economies to counteract dumping for 15 years after China's accession to the World Trade Organization.

For the first time, Americans will have a means to combat such measures as forced technology transfer, mandated offsets, local content requirements, and other practices intended to drain jobs and technology away from the United States.

However, if we fail to pass this legislation, all of these benefits—all of the benefits which I have just enumerated—will be lost.

So what is at stake? With the passage of this legislation, and China's accession to the WTO, the United States stands to reap enormous benefits.

My home State of Florida provides many excellent examples of this potential windfall.

In 1998, China was Florida's 11th largest export market. Under this negotiated accession agreement, China will reduce tariffs on fresh citrus by 70 percent, on vegetables by up to 60 percent, and on poultry by 50 percent.

In addition, China will substantially reduce tariffs on value-added wood products and will eliminate tariffs on a wide variety of information technology products and civil aircraft materials, all of which are important export industries for Florida.

We must accept the fact that China is going to be a member of the World Trade Organization. One obligation of the World Trade Organization is to provide every other member with unconditional normal trade relations status. In order for the United States to fulfill our WTO commitments, we must grant China permanent normal trade relations status.

By refusing to grant China permanent normal trade relations status, we only deny benefits to ourselves. In fact, if we fail to give them permanent normal trade relations status, every other WTO member country—every other country in the world—will be able to take advantage of the benefits that we negotiated except ourselves. Voting no on this measure does not deny anything to China, but it will put all U.S. industry and agriculture at a severe disadvantage in relation to our competitors around the world.

Furthermore, China will enjoy all the benefits of WTO membership, and it will still have the same access to the U.S. market that they have had for 21 years.

As many Americans, I have been concerned about China's compliance with trade agreements. In the past, it has taken intensive work to assure that the Chinese fully comply with the provisions of trade agreements that we have negotiated with them.

I am certain that compliance will continue to be an issue that will require close monitoring. It will require considerable and sustained effort. It is important to note that thus far, China has lived up to the concessions the U.S. gained as a result of the April 1999 agricultural cooperation agreement.

For the first time in over two decades, the Chinese have opened their market to wheat from the Pacific Northwest. They have already purchased 50,000 metric tons of wheat. In an important breakthrough for the Florida citrus industry, the first shipment of fresh citrus from Florida left for China during the last week of March of this year.

In his May 3, 2000, testimony before the House Ways and Means Committee, former Commerce Secretary William Daley stated that the administration intends to vigorously monitor and aggressively enforce the terms of this agreement. To that end, the administration has requested a $22 million budget increase to fund new compliance and enforcement resources for Commerce, the U.S. Trade Representative's Office, the U.S. Department of Agriculture, and the State Department.

He also outlined the administration's five-point plan for monitoring China's compliance with its commitments and ensuring that we will get the full benefits of the WTO from our bilateral agreement.

The plan includes: One, a rapid response compliance team, led by a new Deputy Assistant Secretary for China within the Commerce Department; two, prompt redress of market access problems with tight deadlines for investigating market access and commercial problems inside China; three, statistical monitoring of Chinese trade flows and a special trade law enforcement program modeled on the import surge monitoring program established for the steel industry; four, a comparative law dialog and technical assistance to closely monitor China as it amends its laws and regulations; and fifth and finally, a China-specific WTO training and export promotion program to assure that our exporters take advantage of all the opportunities presented by China's new commitments.

Those were the commitments made on behalf of the President and the administration by the former Secretary of Commerce, William Daley. The new Secretary of Commerce, Norman Mineta, restated the Department's commitment to implementing such enhancements in a July 27, 2000, speech at the Washington International Trade Association.

I have asked myself this question: Is compliance better served by granting or denying China permanent normal trade relations status?

By denying them permanent normal trade relations status, we will be prevented from using the dispute settlement tools that exist within the WTO system, tools such as the bilateral dispute mechanism, where the United States has won 23 of the 23 cases that we have pressed before that panel.

It seems clear to me, then, that U.S. trade with China under the auspices of a multinational body such as the World Trade Organization can be more easily monitored, with fewer political obstacles, than can trade on a strictly bilateral basis.

In summary, the U.S. goal of an open Chinese market is more likely to be

achieved through the WTO discipline than by unilateral actions. Denying China permanent normal trade relations status gives us no additional leverage with the Chinese Government. In fact, it serves exactly the opposite purpose.

Denying China PNTR status does not in any way constrain China. They receive all the benefits of any WTO member. Denying them PNTR status will only hurt us, the United States of America, by preventing our workers and our companies from taking advantage of the benefits that we have for so long negotiated and now have achieved. This will actually help China keep our goods out of its market and make it easier for them to ignore compliance with the bilateral agreement. More importantly, we will also deny ourselves the special surge protections that were negotiated in the bilateral agreement. These surge protections are particularly critical for industries such as steel.

Again, it seems clear we will be more likely to get compliance to the agreement from China by using these special surge protections and the WTO dispute settlement mechanism than we would without them.

To me, the implications of a denial of permanent normal trade relations to China are clear, ominous, and negative.

The historical importance and gravity of this vote cannot be overstated. Given the current state of the world and the almost universal recognition of the United States as the lone remaining global superpower, economically, militarily, politically, culturally, the next President of the United States may well represent the most powerful concentration of power in one human being in the history of this planet. How he exercises such enormous power in foreign affairs will be critical in shaping the future of this planet. Granting permanent normal trade relations to China, working to strengthen ties between our two nations, further developing a relationship of mutual respect and peace are all critically important challenges which we, the world's superpower, must be ready to meet.

We stand on the threshold of a new and substantially improved economic relationship with the People's Republic of China. By voting yes, we will reaffirm the leadership of the United States in matters of trade and global economic expansion.

I ask my colleagues to oppose the Thompson amendment, reserving the complex issues of global proliferation to a more comprehensive measure, avoiding the likely consequence that by the passage of the Thompson amendment, we will kill permanent normal trade relations with China. Rather, I urge our colleagues to vote in favor of permanent normal trade relations with the People's Republic of China and, by so doing, vote in favor of a policy of constructive engagement, mutual respect, and peace among our peoples.

EXHIBIT 1

[From the Los Angeles Times, March 22, 2000]

TAIWAN'S NEW PRESIDENT BACKS SINO-AMERICAN TRADE

(By Jim Mann)

TAIPEI, TAIWAN.—In a gesture to Beijing and the Clinton administration, Taiwanese President-elect Chen Shui-bian said Tuesday that he hopes to see China enter the World Trade Organization and have normal trade relations with the United States.

''We would welcome the normalization of U.S.-China trade relations, just like we hope the cross-strait relations [between Taiwan and China] can also be normalized,'' Chen said. ''We look forward to both the People's Republic of China's and Taiwan's accession to the WTO.''

Chen made these remarks during an hour-long exclusive interview with the Times, the first he has granted since his election Saturday as Taiwan's next president. He will be the first leader from the Democratic Progressive Party, which has in the past advocated independence for the island. Beijing claims sovereignty over Taiwan.

Chen's support for Sino-American trade is certain to be welcomed and distributed widely by supporters of the pending legislation to grant China normal trade benefits in the United States on a permanent basis. The bill—strongly supported by the White House and the business community, but opposed by organized labor—faces what could be a close vote later this year in the House of Representatives.

Despite the friction between Taipei and Beijing on other issues, Taiwan has a strong but little-recognized economic interest in making sure that China has normal trade relations with the United States. Many Taiwanese companies manufacture on the Chinese mainland and export their products from China to the U.S. market.

Nevertheless, over the past decade while Hong Kong leaders repeatedly campaigned in Washington on behalf of unrestricted U.S. trade with China, Taiwan stayed in the background. Chen's praise for Sino-American trade thus represents a departure from the approach of the outgoing Nationalist Party government.

During the wide-ranging interview at his office, Chen looking relaxed and speaking in Mandarin Chinese through a translator, made these other points:

He doesn't believe that last week's bellicose attack on his candidacy by Chinese Premier Zhu Rongji had any impact on the Taiwanese election. ''The effects were not significant,'' Chen said, neither scaring voters away from him nor pushing undecided Taiwanese to vote for him.

Despite some divisions within his own party, there is a ''mainstream consensus'' in favor of Chen's own pragmatic approach toward dealing with China. For example, Chen said, the Democratic Progressive Party's mainstream agrees that Taiwan should be willing to discuss with Beijing the idea that Taiwan and the People's Republic are both part of ''one China.''

Peace and coexistence across the Taiwan Strait will be his ''top priority'' as president—more important that domestic concerns such as the economy or fighting corruption. ''Only with peace in the strait'' can his other goals be achieved, Chen asserted.

Chen repeatedly came back to the theme that he is eager to improve Taiwan's relations with China. He said he is trying to be especially cautious as he prepares to take office.

''Not only are people of Taiwan watching us,'' Chen said, ''China is watching us. The whole world is watching us. And history is also watching us.''

Yet while proclaiming his desire for peace, Chen also made it plain that he doesn't think Taiwan should be intimidated by China.

''What we mean by peace is a very firm and free, autonomous peace,'' he said. ''We don't want the peace that is weak or peace that comes under pressure.''

Chen repeated an assurance made during this campaign that, as president, he won't hold a popular referendum on whether Taiwan should be independent or reunified with China. The idea of such a referendum had often been proposed by leaders of his party, but China vehemently opposes it.

Furthermore, Chen promised that, despite his party's past support for independence, as president he will not declare Taiwan to be independent ''unless Taiwan faces a military attack or invasion from China.''

Asked whether he felt prepared to deal with any military action or threats from China, the president-elect replied:

''I believe that across the strait, leaders of both sides want peace. . . . The Chinese leaders have said repeatedly that 'Chinese do not fight Chinese.' But if they use threats or force against us, then wouldn't that phrase be meaningless?''

Chen asserted that when leaders in Beijing threaten force against Taiwan while at the same time proclaiming that ''Chinese do not fight Chinese,'' their words could be interpreted to mean that ''they don't see us [Taiwanese] as Chinese.''

Although Chen said he would be willing to discuss with Beijing the idea of ''one China,'' he rejected Chinese President Jiang Zemin's assertion this week that Taiwan should embrace ''one China'' as a precondition for talks.

If Taiwan accepted Jiang's idea, he said, ''it would be very difficult actually to enter into discussions [with China] on an equal basis.''

Instead, Chen suggested, perhaps the two governments could reach agreement on other, smaller issues that do not define Taiwan's relationship to China.

''We feel that we can first put aside the differences and discuss areas of agreement and cooperation,'' He said, ''And maybe once these other areas of agreement are resolved or improved, then we would in the process gradually overcome the differences that we have and build more trust.''

Chen went out of his way to court the goodwill of the Clinton administration. Chen praised President Clinton for ''his very strong and firm rejection of [China's] threat to use force'' against Taiwan.

He also quoted with approval Clinton's recent statement that any settlement of Taiwan's future should have the consent of the people of Taiwan.

Chen insisted that he has a sufficient mandate to govern in Taiwan, even though he won the presidency with only 39% of the vote. His closest rival, independent candidate James Soong, won 37%, while Vice President Lien Chan of the Nationalist Party, which has ruled Taiwan for 51 years, garnered 23%.

''In many countries, the presidents are elected with only 20% or 30% of the vote,'' Chen said. ''[Former President Fidel] Ramos of the Philippines had 20-something percent. Former South Korean President Roh Tae Woo only had 30-something percent, and President Kim Dae Jung had roughly 40%. But this did not affect their ability to govern.

''In the same way. President Kennedy defeated his opponent by only 0.1% of the vote, and that was 110,000 votes, which is a very small number compared to the population of the U.S. But this did not affect his ability to govern effectively.''

Chen is clearly hoping to broaden his political appeal beyond his party base.

''Although I am a very proud member of the Democratic Progressive Party, and I hope to continue to contribute to this party and the democratic values it represents, as president of Taiwan or as the national leader, I am the leader not just of the DPP but of the entire nation,'' he said.

''And therefore, the national interest must come before partisan interests or individual interests. When there is a conflict of interest between the national interest and party interests, I must consider first the national interest.''

At the end of the interview, Chen—the son of an impoverished family in rural Taiwan who entered politics as a lawyer for imprisoned Taiwanese dissidents—said he never imagined he would become president.

''I didn't even dream of it,'' he said. ''Growing up, when I was small, I was so poor, and we were under such hardship, that my first dream was to become an elementary school teacher.''

Moreover, he continued, ''after I started taking part in politics, I did not imagine that one day, the president of Taiwan would be directly elected. [And] two years ago, when I lost the reelection bid for Taipei mayor, I did not know if I could stand up again.

''The spirit of Taiwan is going from having nothing to creating, and from the bottom to the top.''

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I compliment the occupant of the chair for being so patient at this late hour.

I rise to speak on behalf of permanent trade relations with China and in support of H.R. 4444, which is PNTR for China. I come to this body, after some 20 years, no stranger to China, having traveled there on numerous occasions, more recently a journey down the Yangtze River to observe the controversial construction of the building of the Three Gorges Dam. It has been a great concern by America's environmental community as to the legitimacy of this project. It will be one of the largest construction projects in the world.

But looking back at what we did in the United States in the 1930s with the TVA project, the flood control, the power generation, what we have done in the Columbia River system, it is very much in parallel to what China is attempting to do: flood control, power generation, and cleaning up their air.

It is interesting to reflect on the experience of U.S. participation in this project. The Eximbank believed that the project did not meet its environmental examination sufficiently so it exempted any U.S. firms from participating in the sense of funding two Chinese contractors to buy American equipment. As a result of the inability of the Eximbank to get a clearance on the environmental consequences and adequacy, there was no U.S. construction material that went into this. As a consequence, Caterpillar alone lost over $1 billion in sales.

I point this out to reflect on the merits of the current debate on certain restrictions that we should or should not have in association with PNTR for China. I know there is a great deal of interest in the business community. Some see it as a great opportunity. I see it as incremental gains for American businesses in the near term. But unlike many in the business lobby, my own feeling is that it is going to take a period of time. In my own State of Alaska, we may see some gains in agricultural and seafood exports, but for the most part, it is going to take a number of years to build up this trade. The question comes to mind: Are the gains worth the hew and cry this bill is bringing about and the extensive debate?

I have a little different view. Why, if I am not necessarily swayed by the arguments of the business community, do I rise in support of PNTR? As with most of my colleagues, I spent a good deal of time considering the merits of the debate. I have heard the arguments on both sides. I continue to listen carefully to the amendments proposed and the considered opinions of my colleagues, which I respect. Furthermore, as a member of the Finance Committee, I have discussed the subject. We have had debates as it played out over the course of the past weeks. I noticed throughout this time a reoccurring theme from both opponents and supporters of the bill.

We have tended throughout the course of these many months and whenever we have discussed China, either on the floor or in the committee, to refer to China as some sort of a monolith. We say China brutalizes her people. We say China represses religious freedom. We say China is the world's greatest proliferator of weapons of mass destruction, or we say we should not reward China for her misconduct by passing PNTR.

Occasionally, we are guilty in this body of painting in broad brush strokes. We have a tendency to generalize. We use verbal shortcuts. We say ''China'' when we mean China's Government or even certain members of China's Government.

In this instance, however, our reference to a monolithic China is not only misplaced, it goes to the heart of the fundamental misunderstanding regarding this bill. PNTR does not reward the Chinese Government. PNTR does not help the Chinese Government maintain repressive control. Passage of this bill, as has been pointed out, will not mean that China gets into WTO. They will get into WTO whether we vote for PNTR or not.

We are voting instead on a basic question of U.S.-China policy, whether trade with China is in America's national interest.

We talk a lot about the messages this vote will send to the Chinese Government. The message we should send is that we believe trade between American and the Chinese people should be fostered and should be strengthened. As I said at the outset, I do not believe American business interests are our primary concern in this matter. American foreign policy interests trump business interests in this matter.

So what is our primary foreign policy interest in China? Our primary foreign policy interest in China is to see the democratization of China. At the heart of this bill is nothing more than the formal recognition of the profound economic effect and shift in China which has occurred since 1979, when we first began the annual debate over our trade relationship with China.

In 1979, China's economy was dominated by Government-owned, Government-managed companies. This is the point that justifies my position on supporting PNTR, because we have seen a change since 1979, when the economy was dominated by Government-owned, Government-managed companies. Virtually 100 percent of China's gross national product at that time was derived from the industrial and commercial activities of not private enterprise but of Government. Private enterprise simply didn't exist at that time. That is not the case anymore.

Twenty years after we began normal trade relations with China, private enterprise not only exists today in China but now it dominates the Chinese economy. The private sector accounts for nearly 70 percent of China's economic output, compared with just 30 percent for the Government-owned sector.

Normal trade relations with China are not the same as they were in 1979—again, that is my point—when all trade flowed through the Chinese Government. At that time, if we had said ''PNTR for China,'' we would have meant PNTR for the Chinese Government. Now the vast majority of trade with China is between private enterprise here and private enterprise there. PNTR means normal trade relations between American and Chinese peoples.

Now, an ever-increasing number of Chinese do not depend on the Chinese Government for their livelihoods, as they did back in 1979. By joining the World Trade Organization, China's reformers are attempting to add to the ranks of the private sector and deal a final blow to the bloated, anticompetitive, and inefficient state-owned enterprises.

The overwhelming consensus of experts on China's political economy is that China's attempt to join the WTO is a tactic to pressure the remaining state-owned enterprises to either privatize or fail. As such, the Chinese Communist Party is, in effect, making the ultimate admission that communism, for its practical purposes, is dead. Voting for PNTR is, in effect, recognition that the China of the year 2000 is a China of unprecedented economic self-determination—economic freedom for individual Chinese people.

Well, some of the skeptics say, big deal; Chinese citizens may have greater economic freedom, but they lack political freedom. That is true; I concede that. They say the Chinese lack religious freedom. True enough. They say the Chinese are unable to freely organize labor unions. True again. But to

say that PNTR will only strengthen the hand of China's Government I don't think is a credible argument.

The Chinese Communist Party is betting China can have a modern, efficient, capitalist economy, one that generates significant tax revenue, without giving up any political control. They are gambling that Chinese citizens will be happy to earn a better living and will be happy to pay taxes unquestioningly to their Government. That is the difference. This is a profound shift in a country in which the Government was responsible to support its citizens, rather than the citizens responsible to support the Government. That is a big change, Mr. President.

For years, China's governmental revenues have come directly from state-owned companies. That is where the revenue has come from. The profits of these enterprises go directly to the Government to fund its activities. But state-owned enterprises, as I have said, are inherently inefficient and are failing badly—more than 50 percent of them are de facto insolvent; they are broke; they cannot now provide the Chinese Government with the funds it needs.

For this reason, China's reformers have been pushing for a market economy led by a robust private sector—the private sector which will not deliver its profits directly to the Government but will, through its companies and employees, pay taxes to that Government. These days, entrepreneurs are not paid by the Government; they pay to the Government. For the first time in the history of the People's Republic of China, the Government relies more on its citizens than its citizens rely on their Government.

Is taxation without representation a good bet for the Chinese Government? It seems to me we know a little about that here. We have had a few lessons from our own history that would be instructive to the Chinese Government. My own bet is that there is no better catalyst for democracy than a group of irate taxpayers.

Does supporting PNTR suggest that the Senate approves of the Chinese Government's actions to suppress freedom, organized labor, bully democratic Taiwan, or engage in missile proliferation? Not one bit. PNTR is nothing more than a recognition of the strides toward economic freedom the Chinese people have made. PNTR supports the Chinese people in their quest to break free of the yoke of communism.

What happens if we don't grant PNTR? Will the Chinese people applaud us for standing up for their rights? Will the Chinese people recognize that we believe our refusal to grant PNTR strikes a blow for political or religious freedoms?

No. The Chinese people will take it as a slight, a sense that we do not somehow want them to develop the economic freedoms that we in the United States enjoy today, a sense that the United States is the enemy of China's development. The Chinese Government, which has no longer any ideological claim to power, will employ this sense of U.S. antagonism to fuel the fires of Chinese nationalism. In our rush to help save the Chinese people from their Government, we will ourselves be the instrument of their further repression.

Let us not choose that course. Let us recognize that this bill encourages the growth of relations between Chinese and American citizens and vote to support PNTR.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMPSON. Mr. President, I understand my colleague from Minnesota shortly will be wanting to take the floor. When he is ready, I will accede to him. In the meantime, I thought I would make a couple of observations.

As the Chair knows, I have introduced this amendment on behalf of Senator TORRICELLI and myself because of our concern of what is happening in the world, especially with regard to China, at a time when we are entering into a new trade relationship with them. Our strong belief is that we cannot ignore the one thing they do that poses a direct threat to this Nation, and that is a continued pattern of proliferation of weapons of mass destruction, and selling those items to rogue nations which, in turn, pose a threat to us—the very reason we say we need a missile defense system.

So we have put down the amendment, and there is strong opposition against it by some in the business community—frankly, some who really don't have any dogs in this fight, but who have been told they do, or think they do, and therefore they oppose it. There will be a handful of people who would even theoretically be affected by this legislation. It is not a broad parade-dampening situation. It is WTO-compliant. The only ones affected would be the ones selling armaments and munitions and dual-use items. Even then, the President has discretion to cut those items off if he wants. That is the limited focus, despite what you might hear all day. That is the limited focus of this legislation.

I have sat here and listened to my colleagues who have problems with this legislation, and they say it will kill PNTR, which it will not. It is an insult to this body to say we have to adopt the House bill exactly the way the House did it—a House bill that addressed things such as labor concerns, Radio Free Asia, and others. They sent it over here, and now we are told we can't address proliferation which, with all due respect, I think should have somewhat of a more elevated status than the things the House addressed. I can't think of anything more important than the safety and welfare of this Nation.

I have been listening to the concerns expressed, and it is quite clear that the opponents have not gotten together and plotted any strategy on this because some of them say our amendment is too broad and some say our amendment is not broad enough—if we focused in on three countries. And we should be focusing in on more.

Some say that if we pass this unilateral legislation with unilateral sanctions there will be terrible ramifications; that it will have ramifications with regard to our foreign policy and with regard to our allies; that we will set back the cause of freedom and set back the cause of peace.

Others point out that we already have numerous unilateral sanctions and laws on the books; that they work; and that they have been somewhat successful depending on which ones you are talking about. Even Sandy Berger said that.

Some opponents have said that our legislation ties the President's hands. But other opponents say that the amendment is defective because you can't force the President to do anything under this bill because he has a Presidential waiver. Of course, they are correct.

Some say that it makes our allies angry while others say our allies will be more than willing to be there to sell what we refuse to sell. Some say we have real proliferation problems, and yet they can see nothing that has worked so far. Others claim all we need to do is engage in diplomacy, and that will work. We have a myriad of contradictions.

I think the bottom line is that there is opposition in search for a rationale because a lot of people do not want to do anything that they think might irritate the leaders in the Chinese Government at this particular point because they in some way, without being able to put their finger on it—even though it is very limited and even though it gives the President discretion, nothing can happen until he makes a finding and even then he has a waiver. The rest of it is totally discretionary. Even under those circumstances, nothing happens until a company has been found to be a proliferator and a threat to our Nation, in effect. Even in light of all of that, there is a vague feeling that this in some way may complicate the trade deal. That is why I said I hope we never get into the position in this country where our friends and allies and enemies perceive us to be more interested in trade than in our own national security.

There have been several inaccurate representations with regard to what to do with us. I mention the discretion the President has. Some say we have to take people out of our capital markets

and close our capital markets down to them. It is one of a list of things the President has the discretion to do. He probably has the discretion to do it now anyway.

The Deutch Commission of distinguished Americans—Democrats and Republicans, former Members of this body, the House and others, including scientists—points out that we really ought to look at our capital market situation and the fact that known proliferators are raising billions of dollars in our capital markets from Chinese companies; billions of dollars in our capital markets to, in some cases, go back and use those funds to enhance their own military. That is the Deutch Commission. So we said this should be, if it is not already, something that the Chinese know about. Put it down in black and white. They should know that the President specifically has that authority. If he determines a particular company, after it has been found to have been selling weapons of mass destruction to our enemies and people who pose a threat to us—after that finding has been made, and after the decision has been made by the President not to exercise a waiver, if then the President chooses to tell that company it can't raise money in our capital markets, he ought to have the discretion to do that. Some will say: Well, they can go elsewhere. Maybe they will.

But if it was that easy you would not be seeing the kind of resistance and commotion now, even because of the potential threat that the President might exercise that kind of waiver.

We saw the China petro offer not too long ago. It was a precursor. They are looking. There are other major Chinese entities looking at our capital markets and ready to come forth with offerings that will raise billions of dollars. It is important to them. There are other markets, but there are not other markets such as the ones we have. And American investors, American investors could go abroad. But it is important to them.

That is the point. There is no inherent right of the People's Republic of China or companies related to them or controlled by them to have access to our capital markets.

One item, one potential, so as not to be trade related—it is not a trade sanction bill the way some people have thought in times past—is the low standard of evidence. Some of my colleagues, I don't think, have read the bill quite as carefully as they might. I think the implication has been that based upon credible evidence the President could impose sanctions. That is not accurate. Based upon credible evidence, if a company is found to have been proliferating, they must report. Then the President can look at that report and make his determination, and Congress will have access to that report, too.

They talk about mandatory sanctions. There is nothing mandatory about them in the strict sense of the word. When it comes to countries and it is only strictly discretionary when it has to do with a company, the President has to make a determination. Then, as I say, he has a waiver on the back end.

They are still talking about another misapprehension. As articulated today, they are still talking about agriculture and small business. There are no agricultural concerns anymore in this legislation. We removed any concern. However, my friend from Wyoming today said that some of his people in the farm community were concerned that if we did anything to irritate the Chinese they might retaliate against us and they might do it with regard to farm items.

I can't help my friend there. I don't think that is a farmer's concern. The farmers I know would be primarily concerned about China and Russia and North Korea selling weapons of mass destruction to these rogue nations. If we did something to stop that, and that in some indirect way caused China to turn its back on the $69 billion a year trade surplus advantage they have, which is highly unlikely, I don't think they would think that was a bad thing.

I think my colleague from Minnesota is prepared now. If that be the case, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I rise in strong opposition to the Thompson-Torricelli amendment, both in principle and, as all amendments to PNTR, this one is a killer that will delay PNTR until another Congress. I appreciate what they are trying to accomplish but disagree with the direction.

Despite what you have heard, this is a very controversial amendment that carries more of a political message than is a legislative proposal that would accomplish its purpose. This legislation has not gone through the committee process, nor has it been thoroughly analyzed by many Members of this body. I urge my colleagues to read the latest version carefully before we vote—there have been four versions of this legislation, the last one presented this morning.

I agree we should work with China to reduce its proliferation, just as we should work with all countries which proliferate. And I believe the President should exercise his authority under the 11 statutes we have now to sanction when that is necessary. I am not ready to give up on bilateral efforts and existing laws, especially as we are close to a new administration. This legislation is simply not appropriate since we don't know how the new administration will address nonproliferation.

Recently Alan Greenspan commented at a hearing I attended that he opposes this legislation. Chairman Greenspan noted ". . . there is a very serious question as to whether it will produce indeed what is suggested it will produce." He went on, "But most importantly, to the extent that we block foreigners from investing or raising funds in the United States, we probably undercut the viability of our own system. But far more important is I'm not even sure how such a law would be effectively implemented because there is a huge amount of transfer of funds around the world." He says, "the only thing that strikes me as a reasonable expectation is it can harm us more than it would harm others."

This again begs the question of an amendment that could actually be counterproductive to our efforts to curb Chinese proliferation?

Before I discuss my concerns about this amendment more specifically, I want to address charges I have heard against those of us who oppose this legislation. We are accused of being pawns of the business and agriculture communities. We are accused of not caring about nuclear proliferation. Some of us are accused of opposing the Thompson-Torricelli legislation because Senator THOMPSON has blocked some legislation we strongly supported. We have been accused of misrepresenting the amendment. The Senator has the right to question legislation or oppose it; so do I and others who oppose the approach of this amendment. I will state as firmly as I can—every position I take in the Senate is based on policy—not on politics, not on contributions, not on retribution—not on anything but whether the legislation is good policy and whether it can accomplish its purpose. This fails on both counts.

At the same time, I respect my colleagues' belief that this legislation can accomplish its purpose. They firmly believe it takes a "club 'em over the head" approach to achieve any progress with China. I respect their right to that analysis, but very strongly disagree. And I strongly urge all of you to look at this legislation from a policy perspective, and nothing more. This is why we were sent here—not to punish a country which has leaders we don't agree with; not to vote for something that balances our PNTR vote; not to send a message to an outgoing administration.

I share some of the concerns you will hear today about this administration's China policy. If there was evidence of proliferation that violated international agreements, it should be pursued under existing laws. But to pass new, tougher laws because one administration may not have been tough enough—particularly at the end of the administration—is surely ill-advised and inappropriate. We have no reason to believe that either Presidential candidate would not use existing laws to their full intent. I am especially concerned about this because of my own optimism that the Presidency will change parties, and I don't want the new administration's hands to be tied so severely in this way. Some have termed the broad congressional authority under this legislation as contrary

to the President's authority as Commander in Chief under the Constitution.

Many of you are aspiring Presidential candidates in the future. I ask you, Would you want this severe limitation on your authority as President?

Mr. President, many of us sat down and tried to come up with a way to achieve a compromise with the sponsors when they tried to bring this amendment up before. This is now the fourth draft of the original Thompson-Torricelli legislation, and you have heard earlier today that it answers all of our concerns. There were some improvements, but many new issues of concern have been added, and the core problems remain. Clearly, proponents and opponents are still very far apart on this issue, and I do not believe it should be considered here today without committee hearings and action.

Let's take a look at where we are with China on proliferation. We have a long way to go, but we shouldn't leave the impression that there has been no progress. We have just started talks again on nonproliferation after the Chinese called off our dialogue due to their concerns about the bombing of their embassy in Belgrade. Before that time, we had made some progress with China on sales to Iran. China has also followed up on various intelligence reports of proliferation. They have worked with U.S. officials to develop an export control system, and have admitted they need help administering an effective system as a developing nation with many people, many companies and many opportunities for proliferation that may or not be intended. We can hold their feet to the fire by providing support to help them improve—or by enforcing existing laws if necessary.

China has signed the Nuclear Non-Proliferation Treaty, the Chemical Weapons Convention, the Zangger Committee and has committed to adhere to the Missile Technology Control Regime guidelines. I believe it has the will to improve. I also believe it has security concerns of its own that must be factored in. It has an alliance with Pakistan and it has concerns about how our missile defense system might affect their own security interests. Whether we agree with those positions or not, we cannot expect other countries not to be concerned when we improve our own security—or when other nations do so. I still believe engagement between two countries that have differences works better when both countries act out of respect for each other. When we work with others rather than dictating what the results should be and when. To threaten a country's sovereignty rights by imposing sanctions for proliferation we may not even be able to prove only promotes an adversarial relationship that will achieve no progress.

Will an adversarial relationship continually worsened by an annual proliferation report which includes ''credible information'' of proliferation with an automatic expedited congressional review overturning a President's decisions not to sanction have any impact whatsoever on China's will to improve? Especially after China thought PNTR would bring an end to the annual review? Thompson-Torricelli continues the annual review and will make it easier for the Congress to sanction.

Before the embassy bombing, we saw some good signs China did want to improve. That can start again, but not if this legislation represents the terms under which we will request improvement. This approach would threaten any country's sovereignty—and China has just as many of those concerns as we do. In fact, its long history probably makes them more concerned about how to respond to world powers wielding huge clubs.

Further, U.S. leadership is jeopardized since no other country is likely to follow our lead, and I believe the U.S. should be a leader on proliferation issues. Other countries will also strongly object to the extraterritorial reach in the Thompson amendment. The amendment covers commercial items not controlled under existing multilateral arrangements. Therefore, the U.S. alone will decide whether these agreements have been violated by both adversaries and allies.

My concerns about this legislation are many—and most of them would continue no matter how many concessions are made by the authors.

First—unilateral sanctions do not work. Each year the President would submit a report to Congress detailing proliferation by companies and governments. His standard for identifying proliferation is ''credible information.'' By no means can this be defined as proof of proliferation. The President then would either impose the mandatory sanctions on the persons, companies, or government entities or indicate why he has not done so. The report also includes sales to Chinese companies which ''contributed to the design, development, production'' of nuclear, chemical or biological weapons. That could draw in a lot of companies—contributed is a very broad term. A ''contribution'' could be unknowing and it may not even be material to developing a weapon or missile. Also in the report, the President would list noncompliance with international agreements, with export control laws by covered countries, which, if not sanctioned through a national security waiver, could result in a congressional sanction of the entire country—whether or not that country was attempting to help improve its nonproliferation record, laws and enforcement of its laws. It would also include a report on the Commerce Department's role in exporting licensing and post-shipment verifications—inferring Congress could also quickly reverse some of these decisions. To make matters worse, the report would include technology transfers the CIA determines would have ''a significant potential to make a contribution to the development'' of nuclear, biological or chemical weapons.

Now the CIA is making policy under a fairly low evidentiary standard that could result in congressional action overturning any Presidential decision not to sanction, other than a national security waiver.

This report, what is included in it, what is sanctioned under what evidentiary standard and what is not, opens up a can of worms we should not be considering here today in a floor amendment. To say trade sanctions are not included is simply inaccurate.

Second—if the President chooses not to sanction, determining the low evidentiary standard of ''credible information'' cannot prove a national security risk in certain instances, there is an automatic congressional review, if 20 Senators agree, which would provide expedited congressional procedures that would allow Congress to quickly overturn any alleged proliferation in the report that is not sanctioned, thus putting Congress in the business of routinely sanctioning persons, companies or the government of China, Russia, or North Korea. This raises serious constitutional concerns and would allow Congress to politicize these decisions. This revised Thompson-Torricelli amendment exempts congressional review of alleged proliferation exempted from sanctions under the President's national security waiver authority which is an improvement.

Congress cannot take the time to fully analyze these matters, no matter how much we would like that to happen. And since most of our personal staff doesn't have access to the highest clearance, we would rely on the advice of a very few staffers to make these very sensitive foreign policy decisions normally made by the President.

At a recent Foreign Relation Committee hearing, even Elliott Abrams, an opponent of PNTR, indicated it was bad policy to have this kind of legislative review. He also opposed the insufficient waiver authority and thought the legislation should be broadened to more countries.

Next—this amendment started out focusing just on China—even though there are other proliferators. Senator THOMPSON, after reviewing this criticism, broadened it to include North Korea and Russia, but still titles the bill the ''China Nonproliferation Act''. He claims after the third draft that his bill covers all countries, but it only covers ''key'' countries as determined by the CIA—once again we are letting the CIA dictate policy. I recall some of the past mistakes when CIA had too great a role in policy decisions.

This legislation should include all countries, not just a couple, and not just ''key'' countries. No country should be exempt if there are proliferation concerns.

It is only after I concluded this legislation would not accomplish its purpose of curbing proliferation that I object to the way unilateral sanctions

would harm American workers and farmers. The actual sanctions under this legislation harm our workers despite what the authors claim. China would buy from other countries, not us, and the U.S.-China WTO agreement would be ignored. There are plenty of other countries willing to step in and take our share of this market from us. The claims that agriculture is exempted from the sanctions is meaningless, as agriculture exports from the U.S. would be the first point of retaliation by China if we impose sanctions.

The author claims there are no mandatory trade sanctions. However, I believe my constituents who produce dual-use items and sell under Ex-Im Bank programs would strongly differ with that statement.

While the latest draft claims that sanctions against countries are discretionary, the ability of the Congress to impose sanctions on countries listed in the reporting requirements as violators definitely could result in countries being sanctioned, if not by the President, by the Congress under the congressional review. Further, the definition of ''persons'' subject to mandatory sanctions still includes government entities, so it seems clear to me that countries still are covered.

Mandatory sanctions would prohibit the sales of dual-use exports and U.S. assistance, including Ex-Im Bank programs. The discretionary sanctions against countries include scientific and academic exchanges as well as rule of law and human rights programs—programs that help us achieve progress with China in many areas of difference. Access to U.S. financial markets, all of which will seriously harm U.S. exporters, and, again serve no purpose since those sanctions will just force China to trade with other nations, risking the jobs of many American workers.

As noted earlier, the President would also include on his annual list those who ''contribute to'' proliferation which could easily catch U.S. companies, as well as those in other countries, which export commercial items that are not controlled under multilateral agreements yet many end up being used in the design or production of nuclear weapons without the exporter's knowledge. The standard used under existing nonproliferation laws for sanctions is there would be a ''knowing'' transfer of technology that makes a ''direct and material contribution'' to weapons of mass destruction development, production or use. This is a major weakening of our current standard that could sanction many companies in the U.S. by cutting off their exports of dual-use items, some of which may have been diverted to an illegal end user without knowledge of the U.S. seller. Also, U.S. exports of nearly anything could be determined as ''contributing to the design, development, production,'' etc. of nuclear weapons. While the legislation claims to only cut off our exports to companies in China engaging in proliferation, the ''contribution to'' standard is very broad indeed, and at the very least could sanction companies engaging in joint ventures in China and Russia. And of course the Congress, in its expedited review, could well choose to cut off all exports of certain items without much debate or consideration.

While the authors claim to only sanction under existing multilateral export control arrangements, the ''contribute to'' standard could reach far beyond these agreements, as discussed previously.

The revised version claims to only enforce China's international nonproliferation commitments, but it lists the Missile Technology Control Regime annex which China has not agreed to implement. There are bilateral discussions addressing this matter which I hope will result in China agreeing to abide by the MTCR annex but the claim made by the authors is not accurate.

Again, the President has sanctions authority under the Arms Export Control Act, Chemical and Biological Weapons Control and Warfare Elimination Act, IEEPA which currently covers our dual use export control laws, Export-Import Bank Act, Arms Control and Disarmament Act, Iran-Iraq Arms Nonproliferation Act, Nuclear Proliferation Prevention Act, 1997 Intelligence Authorization Act, Defense Authorization Act for Fiscal 2000, and the Iran Nonproliferation Act of 2000. China was sanctioned by President Bush in 1991 and by President Clinton in 1993 and 1997. I agree with Senator THOMPSON that these laws should be used to address proliferation by all countries.

This legislation, for the first time, draws the SEC into nonproliferation policy by requiring it to come up with guidelines and regulations regarding notification of investors of any company listed in the report which have securities that are either listed or authorized for listing on one of our exchanges. Notice of listing would have to be included in all filings or statements submitted to the SEC. This would include companies the President has chosen not to sanction because progress is being made, or when he has exercised his national security waiver. This, too, is an extremely controversial new government mandate that brings the SEC into an area it knows nothing about and is an expansion of its authority that would be opposed by many of us.

The revised version would also tie the President's hands on Russian and North Korean foreign policy matters.

This legislation would involve the jurisdictions of four different committees, yet it also has many references to dual-use exports, which is the jurisdiction of the Banking Committee. There is no reference to the Banking Committee in this legislation, yet supporters of the bill claim Banking Committee members are opposing this legislation due to differences with the authors of this bill. By refusing to involve Senators with committee jurisdiction in consideration of this legislation, or by reference in this amendment, I believe it is clear the problem is in the other direction.

There are, I believe, inconsistencies in the way this bill is drafted. There are too many to justify considering this amendment without ample hearings and committee markup. The second, third and fourth drafts of the bill do not solve concerns raised in the original S. 2645. In fact, they have raised even more concerns and new issues.

Because of these concerns, I urge a ''no'' vote on this amendment.

Again, I want to say I appreciate the Senator's intent, but I just disagree with the direction of this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Let me address a couple of points my colleague has made. In terms of the numerous references to second, third, and fourth drafts, these, of course, were attempts to address some of the concerns that opponents of the amendment were raising; the implication being, if we could and would be willing to address those concerns, that we might enjoy some support for the amendment.

Of course, as we addressed those concerns, the goalposts kept being moved, and we soon realized that even after all these things that were originally addressed when raised, it was impossible to satisfy the critics of the amendment because basically they did not want to do anything to irritate the leadership of the People's Republic of China at this delicate moment when we are about to give them permanent normal trade relations.

As to the hearings, there have been about 60 hours of hearings with regard to proliferation issues. There have been 30 hours in the committee I chair, the Governmental Affairs Committee. I point out the chairman of the Foreign Relations Committee spoke on this legislation today and strongly endorses this legislation.

I thought at least we could agree on the nature of the problem persistently and consistently without apology presented by the leadership in the People's Republic of China, but now it seems that some think the PRC leadership just needs help in order to be better people; that we are impinging upon the PRC's authority; that we might be doing something that might in some way be interpreted as being unfair to the leadership of the PRC; that we are requiring too much in a report; that we might identify some Chinese company that might in some way later on be determined, even though there is credible evidence, to be innocent, even though we broadened it at the request of the detractors of the amendment to include other countries.

There is still concern that the word ''China'' appears in the title and that

the leadership in the Chinese Government presumably are going to be upset because of that and, therefore, we should not do anything about it.

My colleague from Minnesota takes the Chinese position with regard to whether or not they agreed to the annex to the Missile Technology Control Regime. My understanding is that our Government and the best evidence is that they agreed to the MTCR. They are coming back and saying they did not agree to the annex. That is not a position I thought we were taking in this Nation.

There is concern there might be a requirement to report these proliferating companies to the SEC; the SEC does not know anything about giving information to investors, which, of course, is not the case.

I guess we have greater problems than even I thought because I thought that while certainly we can have disagreements on the best way to approach this, now I find that some of us apparently do not even have any problems with the activities from the People's Republic of China over these last few years.

I wonder where my colleagues were when the Rumsfeld Commission came out 2 years ago and talked about this threat. Where was everybody when the Deutch Commission, the bipartisan group of former Members of this body and former Members of the House, scientists, and experts in the area, talked about this threat and talked about the fact that, as late as 1996, China was leading the pack in the entire world in terms of proliferators?

Now they are just identified as one of the top three of nations that are doing things to serve as threats to this country, and the information in the intelligence reports we continue to see is that with regard to part of their activities anyway, it is increasing as we speak; let's not do anything to upset the leadership of the People's Republic of China.

I wish we were dealing with the people of China. We would not have this problem. But the leadership over there, counting on having this trade and keeping dictatorial control, too, is an entity whose attention we need to get. Diplomacy has not worked.

It is true; we have numerous laws on the books. I said earlier that some of my colleagues were arguing that this would be catastrophic, on the one hand, and yet we have similar laws already on the books, we do not need them, on the other. I did not expect to hear that in the same argument, but I think I just heard it. We have numerous laws on the books that are unilateral sanctions with regard to countries that proliferate weapons of mass destruction. That is nothing new. We pass those bills unanimously usually.

What is new about this legislation is the fact that a detailed report is required; the President has to give a reason for not exercising sanctions when a determination is made that companies are proliferating; and Congress has a voice. If 20 Members of Congress decide to file a petition, then we can address it ourselves. The President, of course, still has to sign the bill. The President, of course, can still veto legislation, but it does give Congress some additional voice, a voice that is needed.

If this had worked out all right, if we did not have this continuous pattern of behavior and continuous pattern by this administration in not requiring the Chinese to clean up their act, we would not be here tonight and we would not need this kind of legislation.

I make no apologies for this amendment. It is needed. It is something that is not going to go away. The People's Republic of China has made it clear they do not intend to amend their activities. It is not as if we are making progress. They told us and our delegations we sent over there in June and July of this year, and with the President of the United States and the head of the Chinese Government as late as last Friday, they continue to tell us that as long as we try to get a missile defense system through here and as long as we befriend Taiwan, they are going to continue their activities and we can take it or leave it.

Obviously, many of my colleagues think we ought to take it because of the enormous benefits we are going to get from this trade deal; surely we can move forward and be optimistic and be hopeful in terms of what trade might bring because free trade leads to free markets and free markets can lead to more open societies in the long run.

In the meantime, in addition to that, can we afford to blind ourselves to the only activity engaged in by this country or any other country—I am talking about the Chinese Government—that poses a direct and mortal threat, as we are continually told by our own commissions and intelligence community to this country? I think not, and I look forward to a resuming of the debate tomorrow.

I yield the floor.

MORNING BUSINESS

Mr. THOMPSON. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICAL NUTRITION THERAPY

Mr. CRAIG. Mr. President, I rise this afternoon to call attention to some unfinished business from the Balanced Budget Act of 1997. In this landmark legislation, Congress directed the Secretary of Health and Human Services to work with the National Academy of Sciences Institute of Medicine to study medical nutrition therapy as a potential benefit to the Medicare program.

In December of last year, the Institute of Medicine released their study. They found that nutrition therapy has been shown to be effective in the management and the treatment of many chronic conditions which affect Medicare beneficiaries, including high cholesterol, high blood pressure, heart failure, diabetes, and kidney disease. They also found that Medicare beneficiaries undergoing cancer treatment may benefit from nutrition therapy aimed at controlling side effects or improving food intake. They recommended that medical nutrition therapy—with physician referral—be covered as a benefit under the Medicare program.

I have been working with my friend and colleague from New Mexico, Senator BINGAMAN, for the last several years on medical nutrition therapy legislation. The bill we introduced establishes a new Medicare outpatient benefit that would allow our senior citizens to work with a registered dietitian or nutrition professional to learn how to manage chronic diseases such as diabetes, cardiovascular disease, and kidney disease.

This legislation, S. 660, has been cosponsored by 35 of our colleagues. Its House companion, sponsored by Representative NANCY JOHNSON, has been supported by two-thirds of the House Members.

As Congress considers additional refinements to the Balanced Budget Act, we must be certain that we keep our focus on the beneficiary. In addition to providing health care providers with needed relief, we must seize the opportunity to give our Nation's seniors access to medical nutrition therapy.

I urge my colleagues to join with Senator BINGAMAN and I to take care of this unfinished business before this Congress ends. We must make certain that action on medical nutrition therapy coverage occurs this year.

I hope my colleagues will join with me on this issue.

Mr. President, I yield the floor.

RECESS APPOINTMENTS

Mr. INHOFE. Mr. President, in 1985, when we had a conservative Republican in the White House by the name of Ronald Reagan, we had a Senate that was dominated by the Democrats. At that time, the Senate majority leader was a very distinguished Senator from West Virginia, Senator BOB BYRD.

We found Ronald Reagan was violating the Constitution with recess appointments. Let me go back and give a little background of this. In the history of this country, back when we were in session for a few weeks and then they got on their horse and buggy and went for several days back to wherever they came from, if some opening occurred during the course of a recess, such as the Secretary of State dying, the Constitution provides that a President can go ahead and make a recess appointment and not rely on the prerogative of the Senate to confirm, for confirmation purposes. This is understandable at that time.

Since then, Republicans and Democrats in the White House have, when they were philosophically opposed to the philosophy of the prevailing philosophy in the Senate, made recess appointments.

Ronald Reagan was doing this. I loved him, but he was violating the Constitution.

Senator BYRD read and studied the Constitution. He sent a letter to the White House that said: If you continue to do this, then I can assure you we will put holds on all of your nominations. It wasn't just judicial nominations but all of them. I read from Senator BYRD:

> In the future, prior to any recess breaks, the White House will inform the majority leader and (the minority leader) of any recess appointments which might be contemplated in the recess. They would do so in such advance time to sufficiently allow the leadership on both sides to perhaps take action to fill whatever vacancies might take place during such a break.

Those were for anticipated vacancies.

President Reagan agreed with this and sent a letter back to Senator BYRD saying he would do it.

In June of 1999, the President made a recess appointment of someone who had not even gone through the committee process, had not given all their information to the appropriate committee in order to become an ambassador. He went in and appointed him anyway. I felt that was a violation every bit as egregious as anything Ronald Reagan had done.

I took the same letter that Senator BYRD had sent to Ronald Reagan, and I sent it to President Clinton.

I got no response until finally he realized I was putting holds on all these nominations. On June 15, 1999, President Clinton wrote a letter saying:

> I share your opinion that the understanding reached in 1985 between President Reagan and Senator Byrd cited in your letter remains a fair and constructive framework which my administration will follow.

I wrote a letter back thanking him and was very complimentary to him for taking this action.

A short while later—we were going into recess—along with 16 other Senators, I sent a letter to the President because we had heard rumors he was going to make several appointments, recess appointments. In fact, that is exactly what happened.

I ask unanimous consent to have printed in the RECORD all this in more detail.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECESS APPOINTMENTS—CHRONOLOGY

1985 Byrd-Reagan Agreement: ''In the future, *prior to any recess breaks*, the White House would inform the majority leader and (the minority leader) of any recess appointment which might be contemplated during such recess. They would do so in advance sufficiently to allow the leadership on both sides to perhaps take action to fill whatever vacancies that might be imperative during such a break.'' (Emphasis added)—Sen. Robert Byrd (D–W.V.), 10/18/85.

June 4, 1999 Recess Appointment: Without sufficient notice in *advance of the recess*, President Clinton, on the last day of the brief 5-day Memorial Day recess, granted a recess appointment to controversial political and social activist James Hormel to be U.S. Ambassador to Luxembourg.

June 7, 1999 Inhofe Places Holds: Sen. Jim Inhofe (R–Okla.) announced ''holds'' on all non-military nominees, demanding Clinton's promise to abide by the Byrd-Reagan agreement on all *future* recess appointments.

June 15, 1999 Clinton Letter to Lott: ''I share your opinion that the understanding reached in 1985 between President Reagan and Senator Byrd cited in your letter remains a fair and constructive framework, which my administration will follow.''

June 16, 1999 Inhofe Lifts Holds: Inhofe lifted his holds on nominees, praising the President for agreeing to abide by the Byrd-Reagan agreement in the future.

Nov. 10, 1999 Senators' Letter to Clinton: ''If you do make recess appointments during the upcoming recess which violate the spirit of our agreement, then we will respond by placing holds on all judicial nominees. The result would be a complete breakdown in cooperation between our two branches of government on this issue which could prevent the confirmation of any such nominees next year. We do not want this to happen. We urge you to cooperate in good faith with the Majority Leader concerning all contemplated recess appointments.''—Inhofe and 16 senators.

Nov. 17, 1999 Inhofe Floor Speech: ''I want to make sure there is no misunderstanding and that we don't go into a recess with the President not understanding that we are very serious . . . It is not just me putting a hold on all judicial nominees for the remaining year of his term, but 16 other senators have agreed to do that . . . I want to make sure it is abundantly clear without any doubt in anyone's mind in the White House—I will refer back to this document I am talking about right now—that in the event the President makes recess appointments, we will put holds on all judicial nominations for the remainder of his term. It is very fair for me to sand here and eliminate any doubt in the President's mind of what we will do.''

Nov. 19, 1999 Clinton Notifies Senate of Contemplated Recess Appointments: In compliance with the Byrd-Reagan agreement, Clinton provides a list—prior to the recess—of 13 possible recess appointments under consideration for the Nov. 20–Jan. 24 intersession recess. Inhofe and others object to five on the list who have holds or prospective holds on their nominations. Eight are considered acceptable.

Nov. 19, 1999 Inhofe Floor Speech 10 Minutes Before Adjournment: ''If anyone other than these eight individuals is recess appointed, we will put a hold on every single judicial nonimee of this President for the remainder of his term in office . . . I reemphasize, if there is some other interpretation as to the meaning of the (Nov. 10) letter, it does not make any difference, we are still going to put holds on them. I want to make sure there is a very clear understanding: If these nominees come in, if he does violate the intent (of the agreement) as we interpret it, then we will have holds on these nominees.''

Nov. 23, 1999 Inhofe Letter to Clinton: In a spirit of cooperation, Inhofe acknowledges one additional acceptable appointment has been added to the list. ''I hope this makes our position clear. Any recess appointment other than the nine listed above would constitute a violation of the spirit of our agreement and trigger multiple holds on judicial nominees.''

Dec. 7, 1999 Inhofe Privately Urges White House Not to Violate Agreement: Notified by the Majority Leader's office that the President was contemplating at least two recess appointments (Weisberg and Fox) which were not included on the list submitted in advance of the recess, Inhofe reiterated that making these appointments would trigger a hold on all judicial nominees.

Dec. 9, 1999 Clinton Violates Agreement—Appoints Stuart Weisberg to OSHA Review Commission: Name was not included on list submitted in advance of the recess. Weisberg appointment was strongly opposed by the U.S. Chamber of Commerce and the National Association of Manufacturers. Weisberg is a liberal advocate of expanded regulatory authority who had compiled a controversial record of decisions consistently unfavorable to employers.

Dec. 17, 1999 Clinton Violates Agreement—Appoints Sarah Fox to NLRB: Name was not included on list submitted in advance of the recess. Fox is a stridently pro-labor former Ted Kennedy staffer whose policy decisions were consistently pro-union on such key issues as striker replacements, Davis-Bacon wage laws and the Beck decision of compulsory union dues.

Dec. 20, 1999 Inhofe Responds by Announcing Effort to Block Judges: ''I am announcing today that I will do exactly what I said I would do if the President deliberately violated our agreement.''

Jan. 25, 2000 Inhofe Places Hold on All Judicial Nominees: ''It is in anticipation of just such defiance that I and my colleagues warned the President on at least five separate occasions exactly what our response would be if he violated the agreement. We would put on hold on all judicial nominees. So today it will come as no surprise to the President that we are putting a hold on all judicial nominees. We are simply doing what we said we would do to uphold Constitutional respect for the Senate's proper role in the confirmation process.''

Feb. 10, 2000 Inhofe Hold is Overruled by Majority Leader Trent Lott: Inhofe thanked the 19 Republican senators who, in a key procedural vote, supported his effort to demand presidential accountability. Those Senators were: Shelby (Ala.), Murkowski (Alaska), Allard (Colo.), Craig (Idaho), Crapo (Idaho), Grassley (Iowa), McConnell (Ky.), Bunning (Ky), Grams (Minn.), Burns (Mont.), Smith (N.H.), Gregg, (N.H.), Domenici (N.M.), Helms (N.C.), Ihofe (Okla.), Thurmond (S.C.), Gramm (Texas), Thomas (Wy.), and Enzi (Wy.).

August 3–31, 2000 Clinton Grants 17 Recess Appointments in Defiance of the Senate: Rejecting his commitment to cooperate with the Senate, Clinton grants appointments to Bill Lann Lee and other whom the Senate specifically said were unacceptable as recess appointments. Clinton's action was a deliberate affront to the Senate, a violation of the spirit of the Byrd-Reagan agreement and an abuse of power undermining the ''advice and consent'' clause of the Constitution.

Mr. INHOFE. I would like to say we made it very clear to this President on two of the recesses since that time, that if he did not live up to the standards as were put in the letter by Ronald Reagan and to which he agreed, that we would put holds on all these nominations.

Obviously, I had holds on these nominations. I have to admit it was not the Democrats; Republicans were not a lot of help to me at that time. They voted and overruled the hold that I had.

I would say the Senators who voted with me at that time to uphold the Constitution were Senators SHELBY,

MURKOWSKI, ALLARD, CRAIG, CRAPO, GRASSLEY, MCCONNELL, BUNNING, GRAMS of Minnesota, BURNS, SMITH of New Hampshire, GREGG, DOMENICI, HELMS—as I said, INHOFE—THURMOND, GRAMM of Texas, THOMAS, and ENZI.

In spite of the fact that that happened, they went ahead, the President went ahead and has continued to make recess appointments. The last time he did was during our August recess between the 3rd and 31st. He granted 17 recess appointments in just an arrogant defiance of the Senate's prerogative of advice and consent for confirmation purposes.

Even though it is kind of an empty threat now, I will do it —I am announcing tonight I am going to put a hold on all judicial nominations for the rest of his term, not that there are that many, because if we stopped right now, there would still be fewer vacancies than were there at the end of the Bush administration. But when we took office, we swore to uphold the Constitution and the Constitution is very specific. Today I am making this announcement that we are going to hold up all judicial nominations. I am doing exactly what Senator BYRD would do under the same circumstances. I yield the floor.

JUDICIAL NOMINATIONS

Mr. HARKIN. Mr. President, I would like to talk today about the need to move through a number of important judicial nominations. This process has been dragging on for too long.

Pending before the Judiciary Committee are dozens of federal appeals court nominations, including that of my Iowa constituent, Bonnie J. Campbell for the Eighth Circuit U.S. Court of Appeals.

There are 22 vacancies in our federal appeals courts. With the growing number of vacancies in the federal courts, these positions should be filled with qualified individuals as soon as possible. And so I urge the Republican leadership to take the steps necessary to allow the full Senate to vote up or down on these important nominations.

Ms. Campbell, who received a hearing by the Judiciary Committee in June, would serve on the 8th Circuit with honor, fairness, and distinction.

Bonnie Campbell has a long and distinguished history in the field of law. She began her career as a private practice lawyer in Des Moines in 1984. She worked on cases involving medical malpractice, employment discrimination, personal injury, real estate, and family law.

She was elected as Iowa's Attorney General in 1990—the first woman ever to hold that office in Iowa. During her tenure, she received high praise from both ends of the political spectrum for her outstanding work enforcing the law, reducing crime, and protecting consumers.

In 1995, she was appointed as the Director of the Violence Against Women Office in the Department of Justice. In that position, she played a critical role in implementing the Violence Against Women provisions of the 1994 Crime Act.

Again, she won the respect of individuals with a wide range of views on this issue. She has been, and still remains, responsible for the overall coordination and agenda of the Department of Justice's efforts to combat violence against women.

Mr. President, I've known Bonnie Campbell for many years. She is a person of unparalleled integrity, keen intellect, and outstanding judgment. She is fair, level-headed, and even-handed.

These qualities, and her significant experience, make her an ideal candidate for this important position.

Her nomination has been strongly supported by many of her colleagues, including the current Iowa Attorney General and the President of the Iowa State Police Association. Her nomination has also been approved by the American Bar Association. And Bonnie Campbell has the solid support of both myself and my Iowa colleague, Senator GRASSLEY.

Mr. President, I view the Senate's ''advise and consent'' responsibility on judicial nominations in the Senate to be on par with our annual responsibility to move appropriations bills. And, as such, the Senate's schedule between now and adjournment should be adjusted to assure adequate time for their consideration.

We have the time if we have the will.

Again, Mr. President, we have a backlog of judicial vacancies, and it is only fair to push them through as soon as possible. I urge the leadership and the Committee to move them, including Bonnie Campbell, with all due speed. The American people and the people of Iowa's Eighth Circuit are ill-served by these vacancies.

VICTIMS OF GUN VIOLENCE

Mr. DORGAN. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read the names of some of those who have lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is in session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

September 11, 1999:

Terry Baines, 21, Houston, TX;
Rodrigo Barrera, 23, Chicago, IL;
Armida Enriquez-Sotelo, 30, Denver, CO;
Kris Frazier, 26, Oakland, CA;
Jose Frezzia, 44, Miami, FL;
Anthony Harris, 25, Chicago, IL;
Camiela Hinds, 36, Nashville, TN;
Rendell Hamilton, 23, Detroit, MI;
Jose McDuffie, 34, Philadelphia, PA;
Joseph Mendoza, 17, Houston, TX;
Mickey Peace, Dallas, TX;
Maurice Jackson, 24, Oklahoma City, OK;
Jose Monge-Rodriguez, 31, Denver, CO;
James K. Nelson, 56, Seattle, WA;
Hugh Rollins, San Francisco, CA;
James Thorne, 46, Philadelphia, PA;
Unidentified Male, 25, Newark, NJ;
Unidentified Male, Newark, NJ;
Unidentified Male, San Francisco, CA;
Unidentified Male, 45, York, PA.

One of the gun violence victims I mentioned, 56-year-old James Nelson of Seattle, was shot in the chest and killed one year ago today when he went into his kitchen to investigate a noise he heard outside. James was shot through his kitchen window and died on the floor while trying to call for help.

Another victim, 30-year-old Armida Enriquez-Sotelo of Denver, was shot and killed one year ago today by her estranged husband during an argument before he turned the gun on himself.

Following are other victims of gun violence who died one year ago this weekend.

September 9, 2000:

Carlos Amador, 33, Dallas, TX;
Lionel Glover, 23, Chicago, IL;
Annie Goodman, 73, Miami, FL;
Marlys Harper, 28, Elkhart, IN;
Michael Hooten, 34, Atlanta, GA;
Michael L. Murphy, Jr., 19, Chicago, IL;
Courtney Smith, 45, Houston, TX;
Harold Waytus, 79, St. Louis, MO;
Richard Williams, 43, Chicago, IL;
Robert Young, 32, Baltimore, MD;
Unidentified Male, 16, San Jose, CA.

September 10, 2000:

Donald Burford, 51, Dallas, TX;
Daniel Delarge, 21, Philadelphia, PA;
Curly Faulkner, 22, Memphis, TN;
Mardio House, 26, Baltimore, MD;
Evon Morgan, 48, Dallas, TX;
Brian Robinson, 32, New Orleans, LA;
Anthony Sanders, 24, Chicago, IL;
Gholam Sohelinia, 48, Nashville, TN;
Frank Walsh, 41, Philadelphia, PA;
Cory L. Ward, 23, Gary, IN;
Tavaris Williams, 22, Baltimore, MD;
Unidentified Male, 42, Nashville, TN.

We cannot sit back and allow such senseless gun violence to continue. The deaths of these people are a reminder to all of us that we need to enact sensible gun legislation now.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, September 8, 2000, the Federal debt stood at $5,680,083,623,060.12, Five trillion, six hundred eighty billion, eighty-three million, six hundred twenty-three thousand, sixty dollars and twelve cents.

One year ago, September 8, 1999, the Federal debt stood at $5,656,210,000,000, Five trillion, six hundred fifty-six billion, two hundred ten million.

Five years ago, September 8, 1995, the Federal debt stood at $4,962,704,000,000, Four trillion, nine hundred sixty-two billion, seven hundred four million.

Twenty-five years ago, September 8, 1975, the Federal debt stood at $546,875,000,000, Five hundred forty-six billion, eight hundred seventy-five million, which reflects a debt increase of more than $5 trillion—$5,133,208,623,060.12, Five trillion, one hundred thirty-three billion, two hundred eight million, six hundred twenty-three thousand, sixty dollars and twelve cents, during the past 25 years.

ADDITIONAL STATEMENTS

EMPIRE AIR FORCE STATION REUNION 2000

● Mr. ABRAHAM. Mr. President, from 1950–80, a large part of the Empire, Michigan community revolved around its Air Force Base, and the men and women who not only worked there, but also lived and raised families together in the surrounding community. To commemorate the 50th Anniversary of the opening of the base, as well as the relationships that developed between the families, several former Air Force Airmen have coordinated a reunion for everyone who served during the 30 years the facility was open. The event will occur in Traverse City from September 20–23, and I rise today to recognize the Empire Air Force Station Reunion 2000.

Empire Air Force 752 Aircraft Control and Warning Squadron opened in 1950, having become necessary as an outgrowth of the Cold War. The primary mission of the base was to protect nearby metropolitan areas, including Detroit and Chicago, from enemy bombers, as well as to provide assistance to commercial aviation.

When the station opened, it was a completely manual operation and thus had over 300 personnel assigned. The first personnel assigned to the base were housed in the Village of Empire. Eventually, in 1956, nine family housing units were completed, and soon thereafter servicemen and their families moved into these units.

As the Air Force Base expanded in size, so too did the residential area. Between 1960–62, recreational facilities, including a two-lane bowling center, two recreation courts and a softball field, were completed. These did not serve just to provide the feel of a community, they truly created a community, providing children with places to play together and families with places to congregate with one another.

In 1965, the Federal Aviation Administration assumed the maintenance of much of the radar equipment, and with the steady advancement of technology, the FAA ultimately took control of the Air Force Station in 1980. During the many years that the FAA and the Air Force shared the station, the relations between the two groups were congenial, which was a tribute to both parties.

The reunion includes many outstanding events. There is a banquet Friday evening at the Park Place Hotel in Traverse City, as well as a hospitality suite at the hotel that will be open from noon on Wednesday, September 20th until noon on Saturday, September 23rd. There is also an open house at the Air Force Base on Saturday, hosted by the FAA.

Mr. President, as I extend greetings to all those gathered for the Empire Air Force Reunion, I also congratulate Mr. Don Ostendorf and Mr. Lowell Woodworth, the Reunion Coordinators, on the job they have done putting this reunion together. Their hard work and dedication have surely paid off. On behalf of the entire United States, I hope that everyone enjoys a wonderful four days, and I welcome all those individuals who have left the Wolverine State back home.●

NATIONAL ASSISTED LIVING WEEK

● Mr. WYDEN. Mr. President, I wish today to draw the Senate's attention to National Assisted Living Week. The National Center for Assisted Living is sponsoring National Assisted Living Week this week to highlight the significance and the hope that this type of service can provide seniors.

Assisted living is a long term care alternative for seniors who need more assistance than is available in retirement communities, but do not require the heavy medical and nursing care provided by nursing facilities. Approximately one million of our nation's seniors have chosen the option of assisted living in this country. This demonstrates a tremendous desire by seniors and their families to have the kind of assistance that they need in bathing, taking medications or other activities of daily living in a setting that truly becomes their home.

This year's theme of National Assisted Living Week is ''The Art of Life'' and it is intended as recognition of the value of creative expression. I think that it is appropriate because it shows that assisted living is a real option for seniors to continue experiencing ''the art of life'' in living arrangements tailored to meet their needs for socialization, independence and services.

Oregon has led our nation in the concept of assisted living. My state spends more state health dollars to provide assisted living services than any other in our nation. Assisted living has taken different directions in different states, and I believe offering these choices for consumers is important to provide security, dignity and independence for seniors.

Assisted living will become even more important as an option of seniors and their families as our nation experiences the demographic tsunami of aging baby boomers. It is important for us to continue to support options that allow seniors and their families a choice of settings in order to assure that they get the level of care that they need.●

TRIBUTE TO ROBERT F. AND MIRIAM SMITH

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Bob and Miriam Smith upon the recent dedication of the Norman S. and Lida M. Smith Academic Technology Center at Bentley College in Massachusetts.

Bob and Miriam have a long history of philanthropy to the college. They have established numerous scholarship programs, many for deserving students from disadvantaged communities. Bob and Miriam's financial donation will give Bentley College the chance to enhance its business education program. As the retired chief executive officer of American Express Bank, Bob understands the value of a superior business education. Named in memory of Bob's parents, Norman and Lida Smith, the Center will give students the advantage of a business education enhanced by the most advanced technology available today.

Bob's dedication to his alma mater is a testament to his integrity, hard work, and impressive business skills. In addition to the outpouring of generous financial donations, Bob's strategic guidance plan has supported the college through tough economic times and demographic changes, and continues to do so today.

Without the support of generous citizens such as Bob and Miriam, our nation's colleges and universities would not have attained the leadership status in the world of academia that they currently enjoy. Bob and Miriam's donation gives Bentley College the competitive edge. It is an honor to serve them both in the United States Senate.●

ADAM CLYMER

● Mr. MOYNIHAN. Mr. President, a goodly number of Senators know Adam Clymer of The New York Times as a cheerful, even avuncular, reporter affably working the corridors here in the Capitol carefully chronicling our not always cheerful proceedings. He was prominent in the pages of the Times, but was not much in evidence in the electronic media. Alas, all that changed in an instant last week. This paragon of journalistic self-effacement had celebrity thrust upon him by an open microphone. With characteristic detachment, he related this not altogether welcome experience in an article, ''My Media Moment,'' which appeared in this Sunday's Times. May an admirer and friend wish that it last more than the allotted fifteen minutes.

I ask that the article be printed in the CONGRESSIONAL RECORD.

The article follows:

[From the New York Times, Sunday, Sept. 10, 2000]

A BUSH-LEAGUE ASIDE VAULTS AN ONLOOKER INTO THE CAMPAIGN'S GLARE

(By Adam Clymer)

I have been writing newspaper articles for four decades. Broadcasting has never tempted me, except for bit parts on such sober outlets as C–SPAN and WQXR–FM. So what was I doing with an invitation to appear on the ''Late Show With David Letterman''? And seriously thinking about doing it, before saying, no thanks?

I am used to being around big news. Checking out the posters in Red Square when Nikita S. Khrushchev was ousted. Sitting with Lyndon B. Johnson (and his dogs) when he congratulated Mike Mansfield on the 1965 Voting Rights Act. Standing on the White House lawn when Richard M. Nixon quit. Elections, trials, Supreme Court confirmations.

But being the story is different from observing it. And last week, I seemed to be the story.

On Monday, Gov. George W. Bush spotted me at a rally in Naperville, Ill. Not realizing the microphones were working, he told his running mate, Dick Cheney, that I was a ''major-league [expletive].''

This was hardly the first time I have been attacked, though it was the first time the attack accorded me ''major league'' status.

It is true that I never made the Nixon enemies list; a deputy press secretary to whom I complained said all that proved was that he had nothing to do with compiling it.

But after Vietnamese and Chinese students beat me up in Moscow to cap a demonstration against the United States bombing of Vietnam, the Soviet government expelled me as a ''hooligan.'' A deputy of Sheriff Jim Clark in Selma, Ala., once slugged me (because of an embarrassing article Jack Nelson of The Los Angeles Times had written; I hardly resemble Mr. Nelson, but maybe all newspaper reporters look alike to racists). The Washington Times has called me unpatriotic, and some people at The Weekly Standard have attacked me in print, too.

But those attacks all came from the ideological fringes, and nobody took them seriously. Maybe Mr. Bush is entitled to more credence. After all, I sometimes vote for his party's candidates, as I sometimes vote for Democrats. He cares about education and wants his party to attract African-Americans and Hispanics. Sure, he is not as centrist as he tries to portray himself, but then what politician is? (The pre-nomination Joseph I. Lieberman, maybe.) In any case, Mr. Bush is no right-wing nut, so shrugging his remark off as the sound of an extremist was hardly the proper response.

Initially, there was only a moment to think of a response when a pack of reporters descended. One smart-aleck answer occurred to me. Since we were not too far from Wrigley Field, I thought of saying something like, ''At least I didn't trade Sammy Sosa,'' a riposte that would have dealt with Mr. Bush's own major-league experience as boss of the Texas Rangers. But I rejected that and said simply, ''I was disappointed with the governor's language.''

When reporters asked what he had against me, I suggested they ask him. He was not saying anything, except, ''I regret that a private comment I made to the vice-presidential candidate made it to the public airwaves.''

After that, I tried to fade into the background, which is how newspaper reporters try to work, as much as you can around a presidential campaign that has dozens of photographers and television cameramen following every move. I was in Illinois to cover Mr. Cheney, and when we walked to an El entrance where he would be photographed taking a train, the lenses were on me, not him.

Suddenly my voice mail at the office was full. It was Labor Day, and I seemed to be the news flavor of the day. Radio stations in Phoenix and Scotland, Seattle and Australia, the BBC and a sports network said they needed me to fulfill their commitments to informing their listeners and viewers. Among those calling were ''Good Morning America,'' CBS's ''Early Show'' and CNN's ''Larry King Live.''

I had plenty of time to listen to the messages because Mr. Cheney, anxious to avoid the storm Mr. Bush had stirred up, did not want to talk on the record to the reporters traveling with him. So I could not ask the question I had traveled to ask, about why he gave only 1 percent of his income to charity.

Almost all the phone calls were either invitations to speak, which I ducked, or encouraging, even envious, messages from friends. ''Can I have your autograph?'' asked one New York Times Colleague. ''We're so proud of you,'' said a Democratic friend in Austin, Tex. Republican friends chimed in, too, to insist that their party was no monolith on the subject of Adam Clymer. But e-mail was a different matter. A right-wing Web site posted my e-mail address and urged its army to charge, so about 300 hostile messages flooded in and choked the system.

The next day I went back out with Mr. Cheney, and he discussed and defended his contributions. On a flight to Allentown, PA., he said he should be given credit not just for direct donations but also for corporate matching grants and speaking without charge to nonprofit groups. Television viewers might have expected glares, and at least some reference to the events they were being shown over and over, which includes his loyal agreement with Mr. Bush. Instead I asked questions, some of which he seemed to dislike, and he answered them as he chose. Not buddy-buddy, but strictly professional.

The Cheney entourage caught up with Mr. Bush, so his vice-presidential candidate could introduce him in Allentown, Bethlehem and Scranton. Every time we stopped near a television set, some cable channel was showing the clip of Mr. Bush muttering about me to Mr. Cheney and then pondering its impact on his campaign and the future of Western civilization.

By Wednesday the e-mail flood was drying up, although I was asked to endorse a T-shirt memorializing his comment, and someone else sent a message saying that an Internet site for my fans was being created.

I was back in the office, and colleagues asked if Mr. Bush had apologized to me. I had not heard from him, or from his aides, who were busy telling reporters I had been mean to him when I reported in April that ''Texas has had one of the nation's worst public health records for decades,'' and that Mr. Bush had not made much of an effort to fix things.

I was actually proud of that article—which got immensely renewed readership last week as people tried to figure out what exactly was bugging the governor. But if Mr. Bush did not like it, hey, it's free country. After all, if newspaper reporters wanted to be loved by their customers, we could drive Good Humor trucks.

Newspapers reporters aren't immune from talking into an open mike either. About 18 months ago, I was editing an article describing how hard Mr. Bush was working to study national issues. With feeble gallows humor, I suggested that perhaps he needed the tutorials more than others. But while my comparable slurs of President Clinton, to cite one prominent example, stayed private, a spectacular typesetting blunder got my wisecrack printed. Through an Editors' Note, the Times apologized, sort of.

Now maybe Vice President Al Gore, whose aides seem delighted by this business, could do me a favor and make some comparable stumble. Then I could get back to covering the campaign instead of being part of it.●

A TRIBUTE TO SPECIAL AGENT GEOFF YEOWELL

● Mr. SPECTER. Mr. President, I would like to take a moment to recognize my Legislative Fellow, Geoff Yeowell, who will be leaving my office at the end of the month to assume the duties of supervisory special agent for the Naval Criminal Investigative Service Office in Rota, Spain.

Geoff has been on loan to my office from the Naval Criminal Investigative Service where he has worked since 1987.

Over the past 11 months, Geoff has become an indispensable part of my legislative shop. He has worked hard on a broad range of issues—each time jumping in feet first, soaking up knowledge, and moving legislation forward in this often complicated process. From his first assignment, he earned the respect of my staff, as well as mine.

Geoff's primary duty consisted of working as my legislative assistant for Military Construction. He quickly realized the Milcon appropriations priorities for my home state of Pennsylvania and was helpful in making sure these items were given the time and attention they deserve.

Geoff also provided a tremendous service to the people of Pennsylvania in working with those in need of assistance. He demonstrated a remarkable amount of patience and courtesy with each constituent requiring special assistance and worked countless hours to help them in the best way possible.

Finally, Geoff was instrumental in working on the Counterintelligence Reform Act of 2000 (S. 2089) which I introduced on February 24, 2000. His skills and judgement in this arena are exceptional. My staff and I were constantly impressed with the wealth of knowledge he demonstrated.

His dedication to each project was remarkable, and the assistance he provided to my office will not be easily matched. However, I am informed that for Geoff this level of dedication is par for the course. In 1999 he was selected as a Naval Investigative Criminal Service agent of the year and received the Navy Meritorious Civilian Service Award for his work on a major espionage investigation. He also received the 1999 Department of Defense Counterintelligence Award for Investigations.

Mr. President, I urge my colleagues to join me today in commending Special Agent Geoff Yeowell for his service as a Legislative Fellow and for his dedication and leadership to our country.●

MS. BOBBIE DAVIDSON NAMED ACHIEVER OF THE MONTH

● Mr. ABRAHAM. Mr. President, in October of 1993, the State of Michigan Family Independence Agency commemorated the first anniversary of its landmark welfare reform initiative, To Strengthen Michigan Families, by naming its first Achiever of the Month. In each month since, the award has been given to an individual who participates in the initiative and has shown outstanding progress toward self-sufficiency and self-improvement. I rise today to recognize Ms. Bobbie Davidson, the recipient of the award for the month of August, 2000.

Ms. Davidson is the single mother of two children, ages 8 and 11. She is dyslexic, and because of this feared she was unable to work. Having received ADC/FIP and Medicaid since 1993, in 1999 she applied for SSI. Though she was ultimately denied, while her application was pending Ms. Davidson was referred to Michigan Rehabilitation Services. That agency helped her to enroll in West Shore Community College in order to improve her math and reading skills.

With assistance from the Work First and the Project Zero coordinators, Ms. Davidson obtained a job at Burger King in Ludington, Michigan, in March of this year. She continues to be employed there, which has resulted in the closure of her FIP case.

As a result of her determination to improve her life, not only for herself but also for her children, Ms. Davidson has become independent of the welfare system. Eventually, she would like to attend culinary school and become a chef.

Mr. President, I applaud Ms. Bobbie Davidson on being named Achiever of the Month for August of 2000. It is an honor for which she has worked very hard and that she truly deserves. On behalf of the entire United States Senate, I congratulate Ms. Davidson, and wish her continued success in the future.●

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2439: A bill to authorize the appropriation of funds for the construction of the Southeastern Alaska Intertie system, and for other purposes (Rept. No. 106–405).

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 2283: A bill to amend the Transportation Equity Act for the 21st Century to make certain amendments with respect to Indian tribes (Rept. No. 106–406).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. SNOWE:

S. 3023. A bill to amend the Civil Rights Act of 1964 to protect breastfeeding by new mothers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ROBB (for himself, Mr. L. CHAFEE, and Mr. MOYNIHAN):

S. 3024. A bill to amend title XVIII of the Social Security Act to provide for coverage of glaucoma detection services under part B of the medicare program; to the Committee on Finance.

By Mr. BAYH:

S. 3025. A bill to combat telemarketing and mass marketing fraud; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WELLSTONE:

S. Res. 351. A resolution to designate the month of September of 2000, as ''National Alcohol and Drug Addiction Recovery Month''; to the Committee on the Judiciary.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 352. A resolution relative to the death of Representative Herbert H. Bateman, of Virginia; considered and agreed to.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Ms. SNOWE:

S. 3023. A bill to amend the Civil Rights Act of 1964 to protect breastfeeding by new mothers; to the Committee on Health, Education, Labor, and Pensions

PREGNANCY DISCRIMINATION ACT AMENDMENTS OF 2000

Ms. SNOWE. Mr. President, I rise today to introduce the Pregnancy Discrimination Act Amendments of 2000. This bill would clarify that the Pregnancy Discrimination Act protects breastfeeding under civil rights law, requiring that a woman cannot be fired or discriminated against in the workplace for expressing breast milk during her own lunch time or break time.

When Congress passed the Pregnancy Discrimination Act in 1978, I wonder if any of my colleagues considered the definition of ''pregnancy, childbirth, and related medical conditions'' delineated in this law would not include breastfeeding. But unfortunately, courts across the country have not interpreted the Pregnancy Discrimination Act to include breastfeeding.

According to the U.S. Department of Labor, women with infants and toddlers are the fastest growing segment of today's labor force. At least 50 percent of women who are employed when they become pregnant return to the labor force by the time their children are three months old. Although the Pregnancy Discrimination Act was enacted in 1978 and prohibits workplace discrimination on the basis of pregnancy, childbirth, or related medical conditions, courts have not interpreted the Act to include breastfeeding.

Some employers deny women the opportunity to express milk; some women have been discharged for requesting to express milk during lunch and other regular breaks; some women have been harassed or discriminated against; some women have had their pay withheld or been taken off of shift work for saying that they wanted to pump milk.

On the other hand, many employers have seen positive results from facilitating lactation programs in the workplace, including low absenteeism, high productivity, improved company loyalty, high employee morale, and lower health care costs. Parental absenteeism due to infant illness is three times greater among the parents of formula-fed children than those that are breastfed. Worksite programs that aim to improve infant health may also bring about a reduction in parental absenteeism and health insurance costs.

There is no doubt as to the health benefit breastfeeding brings to both mothers and children. Breastmilk is easily digested and assimilated, and contains all the vitamins, minerals, and nutrients they require in their first five to six months of life. Furthermore, important antibodies, proteins, immune cells, and growth factors that can only be found in breast milk. Breastmilk is the first line of immunization defense and enhances the effectiveness of vaccines given to infants.

Research studies show that children who are not breastfed have higher rates of mortality, meningitis, some types of cancers, asthma and other respiratory illnesses, bacterial and viral infections, diarrhoeal diseases, ear infections, allergies, and obesity. Other research studies have shown that breastmilk and breastfeeding have protective effects against the development of a number of chronic diseases, including juvenile diabetes, lymphomas, Crohn's disease, celiac disease, some chronic liver diseases, and ulcerative colitis. A number of studies have shown that breastfed children have higher IQs at all ages.

Mr. President, this is a simple bill—it simply inserts the word ''breastfeeding'' in the Pregnancy Discrimination Act. It will change the law to read that employment discrimination ''because of or on the basis of pregnancy, childbirth, breastfeeding, or related medication conditions'' is not permitted.

I believe that it is absolutely critical to support mothers across the country—they are, of course, raising the very future of our country. And we should ensure that the Pregnancy Discrimination Act covers this basic fundamental part of mothering.

I urge my colleagues to join me in sponsoring this bill.

Mr. ROBB (for himself, Mr. L. CHAFEE, and Mr. MOYNIHAN):

S. 3024. A bill to amend title XVIII of the Social Security Act to provide for coverage of glaucoma detection services under part B of the Medicare Program; to the Committee on Finance.

THE MEDICARE GLAUCOMA DETECTION ACT OF 2000

Mr. ROBB. Mr. President, I rise today to introduce the Medicare Glaucoma Detection Act of 2000. I'm pleased to be joined in its introduction by my colleagues Senator CHAFEE and Senator MOYNIHAN.

Mr. President, the Medicare Glaucoma Detection Act follows suit in a series of preventive health proposals I've cosponsored to help Medicare beneficiaries take a more active role in their health care. Reforming Medicare by adding preventive benefits recognizes that it is much more cost effective to prevent illness than to treat it. Over the past several years, Congress has expanded Medicare's preventive benefits, adding screening and detection services like mammography, bone mass measurements and screening for prostate and colorectal cancer to help Medicare beneficiaries. It is now time to add another important prevention benefit to Medicare: screening for glaucoma.

The Medicare Glaucoma Detection Act of 2000 will give seniors access to the best defense against glaucoma—complete eye examinations on a regular basis. Glaucoma is a significant cause of legal blindness in this country and is the single most common cause of irreversible blindness among African-Americans. In fact, the prevalence of glaucoma is an astounding four to six times higher in African-Americans that the rest of the population.

Glaucoma is often called ''the silent thief of sight'' because the afflicted person has no warning sign, no hint that anything is wrong. Over the years, the increased buildup of pressure causes damage to the optic nerve in the back of the eyes. Because the disease does not show any symptoms until considerable damage has been done, coverage of regularly scheduled exams is a critical step in controlling the disease. If detected in the early stages, glaucoma can be effectively treated to prevent loss of vision.

The bill I am introducing today will establish a Medicare glaucoma detection benefit that follows the guidelines set forth by the American Academy of Ophthalmology, which recommend that individuals 60 years of age or older with a family history of glaucoma receive a glaucoma screening once every two years. Too many of America's seniors are in danger of losing their vision—an estimated 120,000 persons are legally blind due to glaucoma. This bill is the first step toward reversing that trend.

Mr. President, it's important to note that blindness is not simply a medical problem—the costs of glaucoma are both the personal loss of sight and the economic costs to the individual and society associated with blindness. Annual costs to the government associated with blindness are estimated at more than four billion dollars. Moreover, eyesight is a gift that allows seniors to maintain their independence. By helping preserve the ability of seniors to cook, to shop, to drive, to care for themselves and to recognize family and friends, the Medicare Glaucoma Detection Act of 2000 will allow seniors to stay independent longer.

We do not yet have a cure for glaucoma, but blindness from glaucoma can be prevented through early detection and treatment. I urge each of my colleagues to support this bill's passage.

ADDITIONAL COSPONSORS

S. 482

At the request of Mr. ABRAHAM, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 482, a bill to amend the Internal Revenue Code of 1986 to repeal the increase in the tax on the social security benefits.

S. 721

At the request of Mr. GRASSLEY, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 721, a bill to allow media coverage of court proceedings.

S. 779

At the request of Mr. ABRAHAM, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 779, a bill to provide that no Federal income tax shall be imposed on amounts received by Holocaust victims or their heirs.

S. 1020

At the request of Mr. GRASSLEY, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Ohio (Mr. DEWINE) were added as cosponsors of S. 1020, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1805

At the request of Mr. KENNEDY, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1805, a bill to restore food stamp benefits for aliens, to provide States with flexibility in administering the food stamp vehicle allowance, to index the excess shelter expense deduction to inflation, to authorize additional appropriations to purchase and make available additional commodities under the emergency food assistance program, and for other purposes.

S. 1810

At the request of Mrs. MURRAY, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 1810, a bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures.

S. 1900

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1900, a bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes.

S. 2299

At the request of Mr. L. CHAFEE, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2299, a bill to amend title XIX of the Social Security Act to continue State Medicaid disproportionate share hospital (DSH) allotments for fiscal year 2001 at the levels for fiscal year 2000.

S. 2334

At the request of Mr. L. CHAFEE, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2334, a bill to amend the Internal Revenue Code of 1986 to extend expensing of environmental remediation costs for an additional 6 years and to include sites in metropolitan statistical areas.

S. 2335

At the request of Mr. L. CHAFEE, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2335, a bill to authorize the Secretary of the Army to carry out a program to provide assistance in the remediation and restoration of brownfields, and for other purposes.

S. 2365

At the request of Ms. COLLINS, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 2365, a bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services.

S. 2434

At the request of Mr. L. CHAFEE, the names of the Senator from New Mexico (Mr. BINGAMAN), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Minnesota (Mr. GRAMS), the Senator from Arkansas (Mrs. LINCOLN) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 2434, a bill to provide that amounts allotted to a State under section 2401 of the Social Security Act for each of fiscal years 1998 and 1999 shall remain available through fiscal year 2002.

S. 2600

At the request of Ms. SNOWE, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 2600, a bill to amend title XVIII of the Social Security Act to make enhancements to the critical access hospital program under the medicare program.

S. 2644

At the request of Mr. GORTON, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 2644, a bill to amend title XVIII of the Social Security Act to expand medicare coverage of certain self-injected biologicals.

S. 2703

At the request of Mr. AKAKA, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 2703, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit

programs for postmasters are established.

S. 2733

At the request of Mr. KERRY, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2733, a bill to provide for the preservation of assisted housing for low income elderly persons, disabled persons, and other families.

S. 2735

At the request of Mr. CONRAD, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 2735, a bill to promote access to health care services in rural areas.

S. 2787

At the request of Mr. BIDEN, the names of the Senator from Idaho (Mr. CRAIG) and the Senator from Alabama (Mr. SHELBY) were added as cosponsors of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2806

At the request of Mr. SARBANES, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2806, a bill to amend the National Housing Act to clarify the authority of the Secretary of Housing and Urban Development to terminate mortgagee origination approval for poorly performing mortgagees.

S. 2879

At the request of Ms. COLLINS, the name of the Senator from Rhode Island (Mr. L. CHAFEE) was added as a cosponsor of S. 2879, a bill to amend the Public Health Service Act to establish programs and activities to address diabetes in children and youth, and for other purposes.

S. 2887

At the request of Mr. GRASSLEY, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 2887, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes.

S. 2967

At the request of Mr. MURKOWSKI, the names of the Senator from Louisiana (Mr. BREAUX) and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 2967, a bill to amend the Internal Revenue Code of 1986 to facilitate competition in the electric power industry.

S. 3009

At the request of Mr. HUTCHINSON, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 3009, a bill to provide funds to the National Center for Rural Law Enforcement.

S. 3017

At the request of Mr. ROTH, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3017, a bill to amend the Social Security Act to establish an outpatient prescription drug assistance program for low-income medicare beneficiaries and medicare beneficiaries with high drug costs.

S.J. RES. 30

At the request of Mr. LOTT, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S.J. Res. 30, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

S. RES. 343

At the request of Mr. FITZGERALD, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. Res. 343, a resolution expressing the sense of the Senate that the International Red Cross and Red Crescent Movement should recognize and admit to full membership Israel's Magen David Adom Society with its emblem, the Red Shield of David.

SENATE RESOLUTION 351—TO DESIGNATE THE MONTH OF SEPTEMBER OF 2000, AS ''NATIONAL ALCOHOL AND DRUG ADDICTION RECOVERY MONTH''

Mr. WELLSTONE submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 351

Whereas alcohol and drug addiction is a devastating disease that can destroy lives, families, and communities;

Whereas the direct and indirect costs of alcohol and drug addiction cost the United States more than $246,000,000,000 each year;

Whereas scientific evidence demonstrates the crucial role that treatment plays in restoring those suffering from alcohol and drug addiction to more productive lives;

Whereas in 1999, research at the National Institute on Drug Abuse at the National Institutes of Health showed that although there were improvements in some areas, the use of certain illicit drugs among our 13–18 year old children has increased significantly, particularly in the use of alcohol, Ecstasy, anabolic-androgenic steroids, and heroin;

Whereas the Director of the Office of National Drug Control Policy has recognized that the number 1 priority for the Nation's National Drug Control Strategy is to educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco;

Whereas the severe lack of availability and coverage for addiction treatment is evidenced by the Hay Group Report showing that the value of substance abuse treatment benefits decreased by 74.5 percent from 1988 through 1998;

Whereas the Office of National Drug Control Policy recognizes that 80 percent of adolescents needing treatment are not able to access services either through lack of insurance coverage, or the unavailability of addiction treatment programs or trained providers in their community;

Whereas the lives of children and families are severely affected by alcohol and drug addiction, through the effects of the disease, and through the neglect, broken relationships, and violence that are so often a part of the disease of addiction;

Whereas a number of organizations and individuals dedicated to fighting addiction and promoting treatment and recovery will recognize the month of September of 2000 as National Alcohol and Drug Addiction Recovery Month;

Whereas National Alcohol and Drug Addiction Recovery Month celebrates the tremendous strides taken by individuals who have undergone successful treatment and recognizes those in the treatment field who have dedicated their lives to helping our young people recover from addiction;

Whereas the 2000 national campaign focuses on supporting adolescents in addiction treatment and recovery, embraces the theme of ''Recovering Our Future: One Youth at a Time'', and seeks to increase awareness about alcohol and drug addiction and to promote treatment and recovery for adolescents and adults; and

Whereas the countless numbers of those who have successfully recovered from addiction are living proof that people of all races, genders, and ages recover every day from the disease of alcohol and drug addiction, and now make positive contributions to their families, workplaces, communities, State, and Nation: Now, therefore, be it

Resolved, That the Senate does hereby designates the month of September of 2000 as ''National Alcohol and Drug Addiction Recover Month''.

Mr. WELLSTONE. Mr. President, I rise today to introduce a resolution that I will soon send to the desk to proclaim September, 2000, as ''National Alcohol and Drug Addiction Recovery Month,'' and to recognize the Administration, government agencies, and the many groups supporting this effort highlighting the critical need to support our children and adolescents in addiction treatment and recovery. The Year 2000 Recovery Month theme is ''Recovering Our Future: One Youth at a Time,'' with a clear message that we need to increase awareness about alcohol and drug addiction and to promote treatment and recovery for our youth.

Addiction to alcohol and drugs is a disease that many individuals face as a painful, private struggle, often without access to treatment or medical care. But this disease also has staggering public costs. A 1998 report prepared by The Lewin Group for the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism, estimated the total economic cost of alcohol and drug abuse to be approximately $264 billion for 1992. Of this cost, an estimated $98 billion was due to addiction to illicit drugs and other drugs taken for non-medical purposes. This estimate includes addiction treatment and prevention costs, as well as costs associated with related illnesses, reduced job productivity or lost earnings, and other costs to society such as crime and social welfare programs.

Adults and children who have the disease of addiction can be found throughout our society. We know from the outstanding research done at the National Institute on Drug Abuse at the National Institutes of Health that although there were improvements in 1999 in some areas of drug use, the use of illicit drugs among our 13–18 year old children has increased significantly, particularly in the use of alcohol, Ecstasy, anabolic-androgenic

steroids, and heroin. More than half of our nation's 12th graders reported that they have tried an illicit drug, and more than one-quarter have tried a drug other than marijuana. And, although the consumption of alcohol is illegal for those under 21 years of age, more than 10 million current drinkers are age 12 to 20.

The Director of the Office of National Drug Control Policy (ONDCP) has recognized that the number one priority for the nation's National Drug Control Strategy is to educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco. And yet, 80% of adolescents needing treatment are unable to access services because of the severe lack of coverage for addiction treatment or the unavailability of treatment programs or trained health care providers in their community. The 1998 Hay Group Report revealed that the overall value of substance abuse treatment benefits has decreased by 74.5% from 1988 through 1998, leaving our youth without sufficient medical care for this disease when they are most vulnerable.

We know that addiction to alcohol and other drugs contribute to other problems as well. Addictive substances have the potential for destroying the person who is addicted, as well as his or her family. We know, for example, that fetal alcohol syndrome is the leading known cause of mental retardation. If a woman who was addicted to alcohol could receive proper treatment, fetal alcohol syndrome for her baby would be 100 percent preventable, and more than 12,000 infants born in the U.S. each year would not suffer from fetal alcohol syndrome, with its irreversible physical and mental damage.

We know too of the devastation caused by addiction when violence between people is one of the consequences. A 1998 SAMHSA report outlined the links between domestic violence and substance abuse. We know from clinical reports that 25–50% of men who commit acts of domestic violence also have substance abuse problems. The report recognized the link between the victim of abuse and use of alcohol and drugs, and recommended that after the woman's safety has been addressed, the next step would be to help with providing treatment for her addiction as a step toward independence and health, and toward the prevention of the consequences for the children who suffer the same abuse either directly, or indirectly by witnessing spousal violence.

The physical, emotional, and social harm caused by this disease is both preventable and treatable. We know from the outstanding research conducted at NIH, through the National Institute on Drug Abuse and the National Institute on Alcoholism, that treatment for drug and alcohol addiction can be effective. The effectiveness of treatment is the major finding from a NIDA-sponsored nationwide study of drug abuse treatment outcomes. The Drug Abuse Treatment Outcome Study (DATOS) tracked 10,000 people in nearly 100 treatment programs in 11 cities who entered treatment for addiction between 1991 and 1993. Results showed that for all four treatment types studied, there were significant reductions in drug use after treatment. Moreover, treatment resulted in other positive changes in behavior, such as fewer psychological symptoms and increased work productivity.

Addiction to alcohol and drugs is a disease that affects the brain, the body, and the spirit. We must provide adequate opportunities for the treatment of addiction in order to help those who are suffering and to prevent the health and social problems that it causes, and we know that the costs to do so are very low. A 1999 study by the Rand Corporation found that the cost to managed care health plans is now only about $5 per person per year for unlimited substance abuse treatment benefits to employees of big companies. A 1997 Milliman and Robertson study found that complete substance abuse treatment parity would increase per capita health insurance premiums by only one half of one percent, or less than $1 per member per month—without even considering any of the obvious savings that will result from treatment. Several studies have shown that for every $1 spent on treatment, more than $7 is saved in other health care expenses. These savings are in addition to the financial and other benefits of increased productivity, as well as participation in family and community life. Providing treatment for addiction also saves millions of dollars in the criminal justice system. But for treatment to be effective and helpful throughout our society all systems of care—including private insurance plans—must share this responsibility.

The National Alcohol and Drug Addiction Recovery Month in the year 2000 celebrates the tremendous strides taken by individuals who have undergone successful treatment and recognizes those in the treatment field who have dedicated their lives to helping our young people recover from addiction. Many individuals, families, organizations, and communities give generously of their time and expertise to help those suffering from addiction and to help them to achieve recovery and productive, healthy lives. The Recovery Month events being planned throughout our nation, including one in St. Paul, Minnesota, on September 18, will recognize the countless numbers of those who have successfully recovered from addiction and who are living proof that people of all races, genders, and ages recover every day from the disease of alcohol and drug addiction, and now make positive contributions to their families, workplaces, communities, state, and nation.

I urge the Senate to adopt this resolution designating the month of September, 2000, as Recover Month, and to take part in the many local and national activities and events recognizing this effort.

SENATE RESOLUTIONS 352—RELATIVE TO THE DEATH OF REPRESENTATIVE HERBERT H. BATEMAN, OF VIRGINIA

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 352

Resolved, That the Seante has heard with profound sorrow and deep regret the announcement of the death of the Honorable Herbert H. Bateman, late a Representative from the Commonwealth of Virginia.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the deceased Representative.

AMENDMENTS SUBMITTED

U.S.-CHINA RELATIONS ACT OF 2000

BYRD AMENDMENT NO. 4131

Mr. BYRD proposed an amendment to the bill (H.R. 4444) to authorize extension of nondiscriminatory treatment (normal trade relations treatment) to the People's Republic of China, and to establish a framework for relations between the United States and the People's Republic of China; as follows:

Beginning on page 16, strike line 11 and all that follows through line 2 on page 17 and insert the following:

''(k) STANDARD FOR PRESIDENTIAL ACTION.—

''(1) FINDINGS.—Congress finds that—

''(A) market disruption causes serious harm to the United States industrial and agricultural sectors which has grave economic consequences;

''(B) product-specific safeguard provisions are a critical component of the United States-China Bilateral Agreement to remedy market disruptions; and

''(C) where market disruption occurs it is essential for the Commission and the President to comply with the timeframe stipulated under this Act.

''(2) TIMEFRAME FOR ACTION.—Not later than 15 days after receipt of a recommendation from the Trade Representative under subsection (h) regarding the appropriate action to take to prevent or remedy a market disruption, the President shall provide import relief for the affected industry pursuant to subsection (a), unless the President determines and certifies to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that provision of such relief is not in the national economic interest of the United States or, in extraordinary cases, that taking action pursuant to subsection (a) would cause serious harm to the national security of the United States.

''(3) BASIS FOR PRESIDENTIAL CERTIFICATION.—The President may determine and certify under paragraph (2) that providing import relief is not in the national economic

interest of the United States only if the President finds that taking such action would have an adverse impact on the United States economy clearly greater than the benefits of such action.

''(4) AUTOMATIC RELIEF.—

''(A) IN GENERAL.—If, within 70 days after receipt of the Commission's report described in subsection (g), the President and the United States Trade Representative have not taken action with respect to denying or granting the relief recommended by the Commission, the relief shall automatically take effect.

''(B) PERIOD RELIEF IN EFFECT.—The relief provided for under subparagraph (A) shall remain in effect without regard to any other provision of this section.

THOMPSON AMENDMENT NO. 4132

Mr. THOMPSON proposed an amendment to the bill; H.R. 4444, supra; as follows:

At the end of the bill, insert the following new title:

TITLE—CHINA NONPROLIFERATION

SEC. ___01. SHORT TITLE.

This title may be cited as the ''China Nonproliferation Act''.

SEC. ___02. DEFINITIONS.

In this title:

(1) COVERED COUNTRY.—The term ''covered country'' means the following:

(A) RELATIONSHIP TO MOST CURRENT REPORT.—Any country identified by the Director of Central Intelligence as a source or supply of dual-use and other technology in the most current report required pursuant to section 721 of the Intelligence Authorization Act for Fiscal Year 1997 (or any successor report on the acquisition by foreign countries of dual use and other technology useful for the development or production of weapons of mass destruction).

(B) COUNTRIES PREVIOUSLY INCLUDED.—Any country that was previously included in a report described in subparagraph (A), but that subsequently is not included in such report. A country described in the preceding sentence shall continue to be considered a covered country for purposes of this title unless and until such country has not been identified by the Director of Central Intelligence in the report described in subparagraph (A) for 5 consecutive years.

(C) INITIAL COUNTRIES.—On the date of enactment of this Act, China, Russia, and North Korea shall be considered covered countries for purposes of this Act and shall continue to be considered covered countries pursuant to subparagraph (B).

(2) CRUISE MISSILE.—The term ''cruise missile'' means any cruise missile with 300 or more kilometers of range capability or 500 or more kilograms of payload capability.

(3) GOODS, SERVICES, OR TECHNOLOGY.—The term ''goods, services, or technology'' means any goods, services, or technology—

(A) listed on—

(i) the Nuclear Suppliers Group Guidelines for the Export of Nuclear Material, Equipment and Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 1, and subsequent revisions) and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Material, and Related Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 2, and subsequent revisions);

(ii) the Missile Technology Control Regime Equipment and Technology Annex of June 11, 1996, and subsequent revisions;

(iii) the Schedules of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, including chemicals, precursors, and other substances;

(iv) the lists of items and substances relating to biological and chemical weapons the export of which is controlled by the Australia Group; or

(v) the Wassenaar Arrangement list of Dual Use Goods and Technologies and Munitions list of July 12, 1996, and subsequent revisions; or

(B) prohibited or controlled for export to any covered country under this title; and

includes any information and know-how (whether in tangible or intangible form) that can be used to design, produce, manufacture, utilize, improve, or reconstruct the goods, services, or technology identified in this section.

(4) PERSON.—The term ''person'' includes—

(A) any individual, or partnership, corporation, business association, society, trust, organization, or any other group created or organized under the laws of a country; and

(B) any governmental entity.

(5) PROLIFERATION ACTIVITY.—The term ''proliferation activity'' means the activity described in section ___03(a)(1).

(6) UNITED STATES ASSISTANCE.—The term ''United States assistance'' means—

(A) any assistance under the Foreign Assistance Act of 1961, other than urgent humanitarian assistance or medicine;

(B) sales and assistance under the Arms Export Control Act; and

(C) financing under the Export-Import Bank Act.

SEC. ___03. REPORTS ON PROLIFERATION TO ENHANCE CONGRESSIONAL OVERSIGHT.

(a) REPORTS.—

(1) IN GENERAL.—The President shall, at the times specified in subsection (b), submit to the Committee on International Relations of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Armed Services of the Senate, the Select Committee on Intelligence of the Senate, and the Committee on Governmental Affairs of the Senate, a report identifying every person of a covered country for whom there is credible information indicating that such person, on or after January 1, 2000—

(A) contributed to the design, development, production, or acquisition of nuclear, chemical, or biological weapons or ballistic or cruise missiles by a foreign person who is not a national of the covered country, or otherwise engaged in any activity prohibited under—

(i) Article I, paragraph 1, of the Chemical Weapons Convention;

(ii) Articles I and III of the Biological Weapons Convention; or

(iii) Articles I and III of the Treaty on the Nonproliferation of Nuclear Weapons; or

(B) contributed to the design, development, production, or acquisition of nuclear, chemical, or biological weapons or ballistic or cruise missiles through the diversion of United States goods, services, or technology.

(2) ACTION BY PERSONS IDENTIFIED.—The President shall include in the report the activities by reported persons that warranted inclusion in the report, and information on any action taken by a person identified in a prior annual report under this subsection that establishes that the person has discontinued, rectified, or mitigated a prior proliferation activity identified under this title.

(3) ACTION BY PRESIDENT.—The President shall include in the report information on actions taken by the President under sections ___04 and ___05, and the reasons therefore, in response to proliferation activities conducted by persons identified in this section. The President shall include in the report information on any determinations made under section ___07. If the President fails to exercise the authority under sections ___04 and ___05, or if the President makes a determination under section ___07, with respect to a person identified in a report submitted pursuant to this section, the President shall include that information and the reasons therefore in the report required under this section.

(4) OTHER INFORMATION.—In addition to the information required by paragraphs (1) through (3), the President shall include in the report information on—

(A) noncompliance with any international arms control, disarmament or nonproliferation treaties, agreements, arrangements, or commitments (verbal, written, or otherwise) by covered countries;

(B) noncompliance with United States export control laws, Executive orders, regulations, or export license conditions by covered countries;

(C) the performance of the Department of Commerce in licensing, regulating, and controlling the export of dual-use technology to covered countries, including the number and type of post-shipment verifications conducted and enforcement actions taken;

(D) the threats to the national security interests of the United States, or the security interests of its allies resulting from—

(i) proliferation activities on the part of covered countries or persons identified in reports submitted under this section;

(ii) the transfer or sale to the government of, or persons within, a covered country of dual-use technologies and goods listed on the Commerce Control List;

(iii) the misuse or diversion by the government of a covered country of dual-use technology; or

(iv) the transfer or sale of goods, services, or technology identified by the Director of Central Intelligence as having a significant potential to make a contribution to the development, improvement, or production of nuclear, biological, or chemical weapons, or of ballistic or cruise missile systems; and

(E) transfers to the government of, or persons within, a covered country under arms control, disarmament, or nonproliferation agreements and any indication that a covered country has engaged in a proliferation activity under the auspices of such agreements.

(b) TIMING OF REPORTS.—The reports required under subsection (a) shall be submitted no later than 90 days after the date of enactment of this Act, and on June 1 of each year thereafter.

(c) EXCEPTION.—Any person that has engaged in proliferation activities on behalf of, or in concert with, the Government of the United States is not required to be identified on account of that violation in any report submitted under this section.

(d) SUBMISSION IN CLASSIFIED FORM.—The reports required by this section shall be submitted in unclassified form, with classified annexes as necessary. The President shall ensure that appropriate procedures are in place for the protection of sensitive intelligence sources and methods in both the reports and the annexes.

SEC. ___04. APPLICATION OF MEASURES TO CERTAIN PERSONS.

(a) APPLICATION OF MEASURES.—Subject to section ___07, if the President determines that a person identified in a report submitted pursuant to section ___03(a) has engaged in an activity described under section ___03(a)(1) the President shall apply to such person, for such period of time as the President may determine but not less than 1 year, all of the measures described in subsection (b).

(b) DESCRIPTION OF MEASURES.—The measures referred to in subsection (a) are the following:

(1) EXECUTIVE ORDER NO. 12938 PROHIBITIONS.—Imposition of the measures set forth in subsections (b) and (c) of section 4 of Executive Order No. 12938 (as in effect on July 29, 1998).

(2) ARMS EXPORT PROHIBITION.—Prohibition on United States Government transfers or sales to such person of any item on the United States Munitions List as in effect on August 8, 1995, and termination of all sales and after-sale servicing to such person of any defense articles, defense services, or design and construction services under the Arms Export Control Act.

(3) DUAL-USE EXPORT PROHIBITION.—Denial of licenses, suspension of existing licenses, and termination of all transfers or sales and after-sale servicing to such person of any item the export of which is controlled under the Export Administration Act of 1979 (as extended pursuant to the International Emergency Economic Powers Act) or the Export Administration regulations.

(4) UNITED STATES ASSISTANCE PROHIBITION.—Prohibition on the provision of United States assistance in the form of grants, loans, credits, guarantees, or otherwise, to such person.

(5) SUSPENSION OF AGREEMENTS.—Immediate suspension of any agreements or efforts for the co-development or co-production with such person of any item on the United States Munitions List.

(c) EFFECTIVE DATE OF MEASURES.—Each measure imposed pursuant to subsection (a) shall take effect with respect to such person 30 days after the date that the report identifying the person is submitted to Congress.

(d) PUBLICATION IN FEDERAL REGISTER.—Notice of the imposition of the measures described in subsection (b) to a person identified pursuant to section ___03(a) shall be published in the Federal Register, unless the President determines that such publication would threaten the national security or intelligence interests of the United States.

(e) DURATION OF MEASURES.—Each measure imposed under this section shall apply for a period of at least 12 months following the imposition of the measure and shall cease to apply only if the President determines and certifies to Congress that—

(1) the person with respect to whom the determination was made under section ___03(a) has ceased the activities for which the measure was imposed;

(2) the person has taken reasonable steps to rectify the violation; and

(3) the President has received reasonable assurances from the person that such person will not engage in similar activities in the future.

SEC. ___05. APPLICATION OF ADDITIONAL MEASURES DIRECTED AT GOVERNMENTS OF COVERED COUNTRIES.

(a) In addition to the measures described in section ___04 applied against persons identified pursuant to section ___03(a), the President is authorized to apply additional measures as follows against any or all of the covered countries:

(1) Suspension of all military-to-military contacts and exchanges between the covered country and the United States.

(2) Suspension of all United States assistance to the covered country by the United States Government.

(3) Prohibition on United States bank loans or bond offerings in United States markets on the part of any national of a covered country.

(4) Prohibition on the transfer or sale or after-sale servicing, including the provision of replacement parts, to the covered country or any national of the covered country of any item on the United States Munitions List and suspension of any agreement with the covered country or any national of the covered country for the co-development or co-production of any item on the United States Munitions List.

(5) Suspension of all scientific, academic, and technical exchanges between the covered country and the United States.

(6) Direction of the Export-Import Bank of the United States not to approve the issuance of any guarantees, insurance, extension of credit, or participation on the extension of credit to the covered country, except for the purchase of agricultural commodities, medicine, medical supplies, or humanitarian assistance.

(7) Denial of access to the capital markets of the United States by all state-owned enterprises of the covered country.

(8) Prohibition on the transfer or sale to the covered country or any national of the covered country of any item on the Commerce Control List that is controlled for national security purposes and prohibition of after-sale servicing, including the provision of replacement parts for such items.

(9) Prohibition on procurement by the United States Government or entering into any contract for the procurement of, any goods or services from the covered country or any national of the covered country.

(10) Designation of the covered country in a country tier under the Export Administration Regulations that is higher than the country tier in effect.

(11) Denial of access to the capital markets of the United States by any company owned or controlled by nationals of the covered country.

(12) Prohibition on the transfer or sale to the covered country or any national of the covered country of any item on the Commerce Control List and prohibition of after-sale servicing, including the provision of replacement parts for such items.

SEC. ___06. PROCEDURES FOR CONGRESSIONAL REVIEW.

(a) WRITTEN JUSTIFICATION.—Any notification submitted by the President under section ___03 indicating that the President is not imposing a measure or exercising authority under section ___04 or___05 or that the President is making a determination under section ___07(a) (1) or (2) shall include a written justification describing in detail the facts and circumstances relating specifically to the person identified in a report submitted pursuant to section ___03(a) that supports the President's decision not to exercise the authority of section ___04 or ___05 or the President's decision to make a determination under section ___07(a) (1) or (2) with respect to that person.

(b) CONGRESSIONAL ACTION.—If Congress receives a notification described in section ___03 and does not agree with the justification described in subsection (a), the appropriate measure shall be imposed with respect to the person identified in the notification if a joint resolution described in this section is enacted into law.

(c) JOINT RESOLUTION.—

(1) DEFINITION.—For purposes of this section, a joint resolution means a resolution introduction by one-fifth of the Members of either House of Congress within 90 days after the date the notification described in section ___03 is received, the resolving clause of which contains only the following: ''That Congress does not agree with the justification with respect to _____ contained in the notification submitted by the President pursuant to the China Nonproliferation Act on _____ and that the President shall exercise the mandatory measures under section ___04 of the Act with respect to _____ .''; or ''That Congress does not agree with the justification with respect to _____ contained in the notification submitted by the President pursuant to the China Nonproliferation Act on _____ and that the President shall exercise the mandatory measures under section ___04 of the Act with respect to _____ and 1 or more measures under section ___05 of the Act.''; with the first and third blank spaces being filled with the appropriate person identified under section ___03(a) and with the second blank being filled with the appropriate date.

(2) REFERRAL TO COMMITTEE.—

(A) SENATE.—A joint resolution introduced in the Senate shall be referred to the Committee on Foreign Relations of the Senate.

(B) HOUSE OF REPRESENTATIVES.—A joint resolution introduced in the House of Representatives shall be referred to the Committee on International Relations of the House of Representatives.

(C) REPORTING.—A joint resolution may not be reported before the 8th day after the date on which the joint resolution is introduced.

(3) DISCHARGE OF COMMITTEE.—If the committee to which the joint resolution is referred in either House has not reported the joint resolution (or an identical joint resolution) at the end of 15 calendar days during which that House is in session after the date on which the joint resolution is introduced—

(A) the committee shall be deemed to be discharged from further consideration of the joint resolution; and

(B) the joint resolution shall be placed on the appropriate calendar of that House.

(4) FLOOR CONSIDERATION.—

(A) IN GENERAL.—

(i) MOTION TO PROCEED TO CONSIDERATION.—When the committee to which a joint resolution is referred in either House has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a joint resolution—

(I) it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of that House to move to proceed to the consideration of the joint resolution; and

(II) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(ii) TREATMENT OF MOTION.—A motion under clause (i)—

(I) is privileged in the Senate and is highly privileged in the House of Representatives;

(II) is not debatable; and

(III) is not subject to amendment, a motion to postpone, or a motion to proceed to the consideration of other business.

(iii) NO MOTION TO RECONSIDER.—A motion to reconsider the vote by which a motion under clause (i) is agreed to or disagreed to shall not be in order.

(iv) AGREEMENT TO MOTION.—If a motion under clause (i) is agreed to, the joint resolution shall remain the unfinished business of the House until the House disposes of the joint resolution.

(B) DEBATE.—

(i) TIME.—Debate on a joint resolution, and on all debatable motions and appeals in connection with consideration of a joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion further to limit debate is in order and not debatable.

(ii) AMENDMENTS AND MOTIONS OUT OF ORDER.—An amendment to a joint resolution, a motion to postpone, to proceed to the consideration of other business, or to recommit such a joint resolution, or a motion to reconsider the vote by which such a joint resolution is agreed to or disagreed is not in order.

(C) VOTE ON FINAL PASSAGE.—A vote on final passage of the joint resolution shall be

taken in each House on or before the close of the 15th calendar day during which that House is in session after the resolution is reported by the committee of that House to which it was referred, or after the committee has been discharged from further consideration of the resolution.

(D) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of either House to the procedure relating to a joint resolution shall be decided without debate.

(5) COORDINATION WITH ACTION BY OTHER HOUSE.—

(A) IN GENERAL.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the procedures stated in this paragraph shall apply.

(B) NO REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(C) PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(i) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(ii) the vote on final passage shall be on the joint resolution of the other House.

(6) RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES.—This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively and—

(i) is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(ii) supersedes other rules only to the extent that the subsection is inconsistent with those rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

SEC. ___07. DETERMINATION EXEMPTING PERSON OR COVERED COUNTRY FROM SECTIONS ___04, ___05, AND ___08.

(a) IN GENERAL.—Sections ___04, ___05, and ___08, shall not apply to a person or to a covered country 15 days after the President reports to the Committee on International Relations of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Armed Services of the Senate, the Select Committee on Intelligence of the Senate, and the Committee on Governmental Affairs of the Senate, that the President has determined, on the basis of information provided by that person or covered country, or otherwise obtained by the President, that—

(1) the person did not, on or after January 1, 2000, engage in proliferation activities, the apparent engagement in which caused the person to be identified in a report submitted pursuant to section ___03(a);

(2) the person is subject to the primary jurisdiction of a government that is an adherent to 1 or more relevant nonproliferation regimes, the person was identified in a report submitted pursuant to section ___03(a) with respect to a transfer of goods, services, or technology described in section ___03(a)(1), and such transfer was made consistent with the guidelines and parameters of all such relevant regimes of which such government is an adherent; or

(3) it is important to the national security of the United States not to apply the provisions of section ___04 or ___05.

(b) WAIVER FOR ACTION BY COVERED COUNTRY.—Section ___05 shall not apply to a covered country 15 days after the President reports to the Committee on International Relations of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Armed Services of the Senate, the Select Committee on Intelligence of the Senate, and the Committee on Governmental Affairs of the Senate, that the President has determined, on the basis of information provided by the covered country, or otherwise obtained by the President, that—

(1) the covered country did not support or participate in the proliferation activities identified pursuant to section ___03(a); and

(2) the covered country is taking reasonable steps to penalize persons identified pursuant to section ___03(a) for their proliferation activities and to deter and prevent future proliferation activities.

(c) OPPORTUNITY TO PROVIDE INFORMATION.—Congress urges the President—

(1) in every appropriate case, to contact in a timely fashion each person identified in each report submitted pursuant to section ___03(a) or the covered country, in order to afford such person or covered country the opportunity to provide explanatory, exculpatory, or other additional information with respect to the proliferation activities that caused such person to be identified in a report submitted pursuant to section ___03(a); and

(2) to exercise the authority in subsection (a) in all cases where information obtained from a person identified in a report submitted pursuant to section ___03(a), or from the covered country, establishes that the exercise of such authority is warranted.

(d) EFFECT ON CERTAIN EXPORTS.—Nothing in this title shall prohibit or limit the overseas market development activities by the United States Department of Agriculture or the export of agricultural commodities, medicine, medical supplies, or humanitarian assistance.

SEC. ___08. NOTIFICATION TO SECURITIES COMMISSION OF INCLUSION IN REPORT.

(a) DEFINITIONS.—In this section, the following definitions shall apply:

(1) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(2) REGISTERED NATIONAL SECURITIES ASSOCIATION.—The term ''registered national securities association'' means an association registered under section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3(b)).

(3) REGISTERED NATIONAL SECURITIES EXCHANGE.—The term ''registered national securities exchange'' means a national securities exchange registered under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

(4) REGISTRATION STATEMENT.—The term ''registration statement'' has the same meaning as in section 2 of the Securities Act of 1933 (15 U.S.C. 77b).

(5) SECURITIES LAWS.—The term ''securities laws'' and ''security'' have the same meanings as in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

(b) NOTIFICATION TO THE COMMISSION.—Each report prepared by the President under section ___03 shall be transmitted to the Commission at the times specified in section ___03(b).

(c) REGULATIONS.—Not later than 6 months after the date of enactment of this Act, the Commission shall promulgate regulations—

(1) to ensure that securities investors are notified of the identity of any person included in a report prepared by the President under section ___03, the securities of which are listed, or authorized for listing, on a registered national securities exchange (or tier or segment thereof) or by a registered national securities association; and

(2) to require each person included in a report of the President under section ___03 to provide notice of such inclusion in each written report, statement, or other filing or notice required from that person under the securities laws, including—

(A) any registration statement;

(B) any annual or quarterly report, statement, or other filing or notice;

(C) any proxy, consent, authorization, information statement, or other notice required to be sent to shareholders with respect to any security registered pursuant to the securities laws;

(D) any report, statement, or other filing or notice required in connection with an initial public offering; and

(E) any report, statement, or other filing required in connection with a merger, acquisition, tender offer, or similar transaction.

SEC. ___09. NATIONAL SECURITY ASSESSMENT.

In order to ensure that the threat posed by proliferation activity to United States national security and to American Armed Forces deployed abroad is given adequate consideration, the Secretary of Defense shall include as part of the Department of Defense's Quadrennial Defense Review—

(1) an assessment of the effect on the national security of the United States and its Armed Forces of transactions by countries determined to be key suppliers of weapons of mass destruction and the means to deliver those weapons;

(2) recommendations for changes in United States defense strategy that could effectively deal with the threats posed by the proliferation of weapons of mass destruction and the means to deliver those weapons; and

(3) an assessment of the cost to the United States of developing systems to address the security challenges posed by the proliferation of weapons of mass destruction and the means to deliver those weapons.

SEC. ___10. SENSE OF CONGRESS; POLICY.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the proliferation of weapons of mass destruction, ballistic and cruise missiles, and enabling technologies represents a clear and serious threat to the security of the United States, its friends and allies, and to regional and global stability;

(2) all nations engaged in the design, development, or production of goods, services, or technology that contribute, or could contribute, to such proliferation, should join the United States in eliminating proliferation by strengthening and broadening existing multilateral nonproliferation and export control regimes, and by strengthening their own domestic nonproliferation and export control regimes;

(3) the President should continue to seek agreement with countries that are considered to be significant proliferators, to adhere to the provisions and guidelines of existing multilateral nonproliferation and export control regimes as responsible members of the world community, and to strengthen their own national controls over sensitive items and technologies;

(4) the President should fully and vigorously enforce current United States nonproliferation and export control laws and regulations, including the Arms Export Control Act, the Export Administration Act, and the Iran Nonproliferation Act; and

(5) additional budgetary and other resources should be provided to the United States intelligence agencies charged with detecting, assessing, and reporting incidents of proliferation activity and technology diversion, so that the agencies can focus greater

attention and resources on countries identified as key suppliers of sensitive technologies.

(b) MULTILATERAL CONTROL REGIMES.—

(1) POLICY.—It is the policy of the United States to seek multilateral nonproliferation and export control arrangements that support the national security objectives of the United States.

(2) PARTICIPATION IN EXISTING REGIMES.—Congress encourages the United States to continue its active participation in existing multilateral nonproliferation and export control regimes.

(3) STRENGTHENING EXISTING REGIMES.—Congress urges the President to strengthen existing multilateral nonproliferation and export control regimes in order to confront countries and entities engaged in a pattern or practice of proliferation, by—

(A) harmonizing national laws and regulations with regard to enforcing the provisions and guidelines of existing multilateral nonproliferation and export control regimes;

(B) harmonizing export license approval procedures and practices, and eliminating the practice of undercutting;

(C) periodically reviewing and updating multilateral regime nonproliferation and export control lists with other members of the multilateral regime, taking into account first and foremost, national security concerns; and

(D) encouraging countries that are not members of existing multilateral nonproliferation and export control regimes to strengthen their national export control regimes, improve enforcement, and adhere to the provisions and guidelines of existing regimes, and not to undermine existing multilateral nonproliferation and export control regimes by transferring or exporting controlled items in a manner inconsistent with the guidelines of the regimes.

(4) PARTICIPATION IN NEW REGIMES.—It is the policy of the United States to participate in additional multilateral export control regimes if such participation would serve the national security interests of the United States.

(5) ENHANCED COOPERATION WITH REGIME NONMEMBERS.—Congress urges the President to seek agreement among the members of existing multilateral nonproliferation and export control regimes to—

(A) seek the membership of nonmember countries, as practicable, if doing so will strengthen existing regimes;

(B) seek cooperation with governments outside the regime to abide by the provisions and guidelines established by those regimes; and

(C) establish mechanisms in the regime to coordinate planning and implementation of nonproliferation and export control measures related to such cooperation.

(6) ENFORCEMENT OF INTERNATIONAL NORMS AND PRACTICES.—Congress encourages the President to seek agreement among the members of existing multilateral nonproliferation and export control regimes to—

(A) pursue measures and sanctions on a multilateral basis with respect to countries or persons found in violation of existing multilateral nonproliferation and export control regimes, and international norms; and

(B) prevent undercutting by foreign firms when the United States takes unilateral action against countries or entities found to be in violation of existing international agreements or United States law whether or not other members of the regimes choose to take action against those violators.

SEC. ___11. ARMS EXPORT CONTROL ACT.

Nothing in this Act shall be construed to alter or modify the Arms Export Control Act.

KYL AMENDMENT NO. 4133

Mr. KYL proposed an amendment to the bill, H.R. 4444, supra; as follows:

On page 5, line 12, after ''China'', insert ''and Taiwan as separate customs territories''.

Mr. KYL. Mr. President, in recent days, there have been some disturbing moves by China to block Taiwan's entry into the World Trade Organization (WTO), despite China's previous assurances to the United States that it would not do so. As recently as Thursday, September 7, Chinese Foreign Ministry spokesman Sun Yuxi said that China wanted its claim to sovereignty over Taiwan written into the terms of the WTO's rules, stating ''The Chinese side has a consistent and clear position: Taiwan can join WTO as a separate customs territory of China.''

This statement by China's Foreign Ministry spokesman comes on the heels of earlier efforts by China to block Taiwan's WTO entry. As the Wall Street Journal reported in July:

''. . . as WTO staff members draw up the so-called protocol agreements—the reams of paper that define exactly what concessions China will make in order to gain entry into the organization—China is insisting that its claim over Taiwan be recognized in the legal language . . . chief Chinese negotiator Long Yongtu said . . . such a stand ''is a matter of principle for us'' . . . That would upset a consensus within the WTO that Taiwan should be allowed to enter the club as a separate economic area—that is, not an independent country, but also not as an explicit part of China. Some WTO members have argued that Taiwan has long since fulfilled its requirements to join the club and its application has been held up only to satisfy China's demand that Taiwan shouldn't win entry to the organization first.

In order to help ensure that China lives up to its promises to the United States, and that Taiwan's entry to the WTO is not unnecessarily impeded, today I am filing an amendment to H.R. 4444, the bill to provide permanent normal trade status to China. The current text of H.R. 4444 states that the extension of permanent normal trade relations to China ''shall become effective no earlier than the effective date of the accession of the People's Republic of China to the World Trade Organization.'' My amendment would add one additional condition, stating that permanent normal trade relations with China ''shall become effective no earlier than the effective date of the accession of the People's Republic of China and Taiwan as separate customs territories to the World Trade Organization.''

My amendment reinforces the message the Clinton administration has sent to China on previous occasions, and it is my hope that this amendment will remove any ambiguity about America's resolve to support Taiwan's WTO admission. Earlier this week, I received a letter from President Clinton that responded to a letter I sent him in July along with 30 other Senators, that sought assurances that his administration remained committed to Taiwan's entry to the WTO. In the letter the President stated that, ''My administration remains firmly committed to the goal of WTO General Council approval of the accession packages for China and Taiwan at the same session.'' The President's letter went on to say that ''China has made clear on many occasions, and at high levels, that it will not oppose Taiwan's accession to the WTO. Nevertheless, China did submit proposed language to their working party stating that Taiwan is a separate customs territory of China. We have advised the Chinese that such language is inappropriate and irrelevant to the work of the working party and that we will not accept it.''

As the President acknowledged in the letter, despite previous assurances by China and the administration that Taiwan will be admitted to the WTO without opposition, under the surface there is a problem. As it always does, China is using yet another diplomatic opportunity to assert its view that Taiwan is nothing more than a province of China.

It is important for the Congress and the administration to work together to support Taiwan's entry into the World Trade Organization (WTO). First because of the economic benefits that its entry would bring. Secondly, because of the need to meet our commitments to our close and longstanding ally. And third, due to our desire to defend and promote democratic governments, with free markets, that respect the rule of law and the human rights of their people.

Based on its importance to the world economy, Taiwan should be admitted to the WTO. It has the 19th largest economy and is the 14th largest trading nation in the world. Taiwan's economy is also closely linked to the U.S. It is America's 8th largest trading partner and purchases more American goods than many of our other major trading partners, like mainland China, Australia, and Italy. U.S. trade with Taiwan should continue to grow. Over two years ago, we signed a bilateral WTO agreement with Taiwan that included significant reduction in tariffs and other barriers for exports of a variety of U.S. goods and services, including agriculture goods, automotive products, and pharmaceuticals. The admission of Taiwan to the WTO ensures that market barriers to U.S. products will remain low and American companies will have a means to solve disputes over intellectual property and other matters.

Taiwan has been negotiating to become a member of the WTO since 1990 and has met the substantive conditions for membership. According to the Congressional Research Service, it has completed agreements with each of the 26 WTO members that requested bilateral negotiations, and has held 10 meetings with the WTO Working Party in Geneva, resolving all substantive issues surrounding its admission.

China has insisted that Taiwan can get into the WTO only after it does,

and has lobbied other countries to support this position. In the past, Clinton administration officials have assured us that Taiwan's accession would closely follow China's. In February, U.S. Trade Representative Charlene Barshefsky testified to the House of Representatives that ''. . . the only issue with respect to Taiwan's accession . . . pertains to timing . . . there is a tacit understanding . . . among WTO members in general—but also, frankly, between China and Taiwan—that China would enter first and China would not block in any way Taiwan's accession thereafter, and that might be immediately thereafter or within days or hours or seconds or weeks. . . .'' Later that same month, in response to a statement by Senator ROTH that ''. . . there's a great deal of concern that Taiwan might be blocked [from entering the WTO] once China secures such membership,'' Ambassador Barshefsky testified that ''. . . the United States would do everything in our power to ensure that that does not happen in any respect because Taiwan's entry is also critical.''

The WTO plays an important role in promoting free and fair trade. Under the WTO, member countries agree on a set of rules and principles for trade, which in turn creates a stable and predictable trade environment. Secondly, the WTO provides a mechanism to enforce these rules, including a procedure for countries to resolve trade disputes. And finally, the WTO provides a forum for negotiations to reduce trade barriers worldwide.

Since the founding of its predecessor GATT in 1984, membership in the organization has grown from 23 countries to 136 today. The general view among economist is that a more predictable trade environment, and a reduction of trade barriers, has contributed to the unprecedented economic prosperity that most countries currently enjoy. Statistics support this view: In 1998, world exports were 18 times larger than in 1950, and world GDP was 6 times greater in 1998 than 1950, according to the Congressional Research Service.

As I mentioned earlier, the United States should support Taiwan's admission to the WTO, not merely for economic reasons, but also to honor our commitments to a close, long-standing ally, and to demonstrate our intention to support democracies that respect the rule of law.

When our Nation switched diplomatic recognition to mainland China, we also enacted the 1979 Taiwan Relations Act to state our continued commitment to the security of Taiwan. This law states, ''. . . the United States decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means.'' It goes on to say the U.S. would ''. . . consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States.'' And finally, it says the U.S. will sell ''. . . defense articles and defense services in such quantity as many be necessary to enable Taiwan to maintain a sufficient self-defense capability.''

China's leaders have steadfastly refused to renounce the use of force in retaking Taiwan, and have issued thinly veiled threats to use nuclear weapons should the U.S. intervene. For example, in March, the main newspaper of China's military said, ''China is neither Iraq nor Yugoslavia, but a very special country . . . it is a country that has certain abilities of launching a strategic counterattack and the capacity of launching a long-distance strike. Probably it is not a wise move to be at war with a country like China, a point which U.S. policymakers know fairly well.'' Another article in a Chinese military-owned newspaper went further, saying, ''The United States will not sacrifice 200 million Americans for 20 million Taiwanese. They will finally acknowledge the difficulty and withdraw.''

In outlining what became known as the ''Truman Doctrine,'' President Harry Truman said:

> At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one. One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression. The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms. I believe that is must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or outside pressures. I believe that we must assist free peoples to work out their own destinies in their own way.

Harry Truman spoke these words in 1947, at a time when it was very difficult to stand up to communism on the march from the Soviet Union. The challenge we face today in dealing with China and Taiwan should not be as great as the courageous struggle for the cold war. The United States cannot support China's entry into the WTO without equally supporting Taiwan's entry into the WTO. This is but one of many signals we should be sending to the communist regime in Beijing, about America's determination to meet our commitments and our resolve to support Taiwan.

NOTICE OF HEARING

SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, PRODUCTION AND REGULATION

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public that a legislative hearing has been scheduled before the Subcommittee on Energy Research, Development, Production and Regulation.

The hearing will take place on, Wednesday, September 20, 2000, at 2:30 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 2933, a bill to amend provisions of the Energy Policy Act of 1992 relating to remedial action of uranium and thorium processing sites.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Energy Research, Development, Production and Regulation, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please call Trici Heninger at (202) 224–7875.

PRIVILEGES OF THE FLOOR

Mr. THOMPSON. Mr. President, I ask unanimous consent that Martha McSally, a fellow in Senator KYL's office, be granted the privilege of the floor for the duration of H.R. 4444.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I ask unanimous consent that an intern, Leslie Smith be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I ask unanimous consent that Mr. Jason McNamara, a fellow in my office, be granted the privilege of the floor during the remainder of the debate on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. COLLINS. Mr. President, I ask unanimous consent that a fellow from my office, Kristin Fauser, be permitted to have floor privileges during the remainder of the debate on H.R. 4444, the PNTR legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. Madam President, I ask unanimous consent that Steven Theriault be granted the privilege of the floor during the debate on H.R. 4444.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF REPRESENTATIVE HERBERT H. BATEMAN, OF VIRGINIA

Mr. THOMPSON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 352, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The bill clerk read as follows:

A resolution (S. Res. 352) relative to the death of Representative Herbert H. Bateman, of Virginia.

There being no objection, the Senate proceeded to consider the resolution.

Mr. THOMPSON. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 352) was agreed to, as follows:

S. RES. 352

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Herbert H. Bateman, late Representative from the Commonwealth of Virginia.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the deceased Representative.

ORDERS FOR TUESDAY, SEPTEMBER 12, 2000

Mr. THOMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Tuesday, September 12. I further ask unanimous consent that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of H.R. 4444, the China PNTR bill, as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMPSON. Mr. President, I ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. for the weekly policy conferences to meet and that Senator GRAMM and Senator DURBIN be recognized as in morning business for up to 20 minutes each at a time to be determined during tomorrow's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. THOMPSON. Mr. President, for the information of all Senators, at 9:30 a.m. tomorrow, the Senate will begin closing remarks on the Byrd amendment regarding subsidies, with a vote scheduled to occur at 10 a.m. Following the vote, the Senate is expected to continue debate on the Thompson amendment No. 4132. The Senate will recess at 12:30 p.m. for the weekly party conferences, and upon reconvening at 2:15 p.m., Senator HELMS will be recognized to offer an amendment. Further amendments are expected to be offered and debated. Therefore, Senators can expect votes throughout the day.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. THOMPSON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the provisions of S. Res. 352 in further remembrance of the late Congressman HERBERT BATEMAN.

There being no objection, the Senate, at 7:52 p.m., adjourned until Tuesday, September 12, 2000, at 9:30 a.m.